THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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BELIEVED THAT BUSINESS HAS TURNED CORNER

Hon. T. A. Crerar Reviews the Situation in the West

SOUNDER CONDITIONS

Conclusion From Analysis by Royal Bank—Canada Must Have Taxation Relief if Mellon Plan Carries

There has been an improvement in business sentiment with the turn of the year but little actual change in conditions. The situation is viewed with confidence by the heads of the various financial and industrial institutions who have expressed their views but optimism is tempered; the consensus of opinion is that while the bottom has been reached the upgrade will be gradual and will require a long, steady pull. Conditions affecting our great agricultural industry are still unsatisfactory and further adjustments will be necessary to give the farmer a satisfactory return for his efforts and his capital investment—his own and borrowed. The Canadian wheat farmers, however, appear to have fared better than the grain farmers in the United States, despite efforts to avoid the consequences of the post-war economic reaction. There have been some five hundred bank failures in the American grain belt. In Canada the banks and the mortgage companies have been able to handle the situation much better. What is even more encouraging is the report of the Washington inquiry that the Canada farmer is in a much better position to grow wheat profitably than his American competitor. Even so the advisability of getting away from the one-crop gamble is plainly evident and although this can only be done gradually it is a goal toward which Western farmers should shape their course. And in this connection is being emphasized the importance of a home market which will be the accompaniment of the development of industry, particularly in the manufacture of our raw materials.

Crerar is Confident

In an interview with a representative of THE FINANCIAL POST Hon. T. A. Crerar expressed the opinion that the West has turned the corner and that better times are ahead. Mixed farming is noticeably on the increase, he says. At the annual meeting of the Canada Permanent Mortgage Corporation both the president, W. G. Gooderham, and the general manager, George H. Smith, referred to the improved Western outlook in view of the revival of immigration. They emphasized the advantages of the Canadian farmer in lower prices of lands, high yields and favorable freight rates in competing with the American farmers, as confirmed by the United States Secretary of Agriculture in his report on "The Wheat Situation."

Conditions Are Sounder

The Royal Bank February letter, dealing with the general situation, says:

> At a time like the present, when business conditions are uneven, it is difficult to make any statement which will apply to the Dominion as a whole. The year 1923 we look on as having been a moderately good one, with certain striking exceptions, some favorable, others the reverse. We believe that 1924 is commencing with fundamental conditions sounder than they were at the beginning of 1923, and with sections of our weakest territory—the Middle West—in a vastly improved position. Finally, we see no reason why the improvement should not continue in moderate degree throughout the full twelve months of the present year.

A general strengthening of the markets for agricultural products is reported by the Bank of Commerce. Increases in varying degree are noted for wheat, barley, corn, beef, hogs, butter, potatoes and wool; oats, bacon and cheese have declined.

Business Demands Relief

The Dominion-wide agitation for less spending at Ottawa and relief in taxation has aroused the Government to action. THE FINANCIAL POST understands that it is realized that if the Mellon proposals are adopted at Washington something will have to be done to relieve the burdens in Canada. This refers particularly to business and industry which is even now handicapped by the heavier levies than borne by competitors in the United States. The radical element at Washington is opposing the Mellon proposals but the popularity of the plan with all classes, and the growing realization that the supertaxes are discouraging industry and interfering with prosperity, is providing considerable pressure on Congress. What is accomplished at Ottawa in this direction will also depend to a large extent on the continuation of the agitation which has already made itself felt.

Sir Herbert Holt and Sir Edmund Walker have added their arguments to those of other business and financial leaders that business must be relieved from the excessive burden of taxation if the expansion of industry is to be encouraged in the interests of the country's prosperity.

Car loadings are showing little

(Continued on page 9)

Donnacona's Output Up to 60,000 Tons

From Our Own Correspondent.

MONTREAL. — Donnacona Paper Company has brought an additional newsprint machine into operation and, during the past week, has been producing about 60 tons of paper a day from this new unit. The cost of this machine was financed by a bond issue made a year ago. The new machine gives Donnacona a yearly output of 60,000 tons of newsprint paper.

The company has made a re-arrangement of its capitalization. The authorized capital of $2,000,000 of preferred, and $1,500,000 of common, has been increased to $2,000,000 of preferred, and $3,000,000 of common. At the same time, the par value of the common stock has been decreased from $100 a share to $20 a share, and a split up on a five to one basis is being made. No decision has been made as to the issue of the additional $1,500,000 of common stock.

ASKS BROADER STUDY ST. LAWRENCE PLAN

Premier's Scheme for Engineering Probe is Endorsed by Public Utility Men

From Our Own Correspondent.

MONTREAL. — Premier King's plan for further study of the engineering aspects of the St. Lawrence waterway and power development, as submitted to the United States government, seems to have approval of business men and power people here. One of the leading financiers and engineers of Canada expresses the opinion that, in addition to the technical commission of highly-trained engineers to report upon the best development from an economical standpoint, having regard for the possibility of water diversion, for the location of the dams, the provision for navigation and the possible cost of the undertaking, there should be as well a commission to study the national and business side of the deal.

This engineer-financier suggests to THE FINANCIAL POST that the government should appoint a royal commission, which will consist of a number of leading men of the provinces of Ontario and Quebec, with representation from the other provinces, this royal commission to study the report of the technical committee above referred to, and to report to the government what, in its view, should be the policy of the government in connection with the development of the St. Lawrence River as affecting agriculture, finance, labor, manufactures, transportation, and any other effect which such a development will have, either in its domestic relations within this country, or its foreign relations with the United States. Such a scheme would undoubtedly take from one to two years for the government to obtain a report and get the matter in such shape that the government could then, in view of the reports, take such measures as it might see fit.

He states:

> "There is no doubt but that the development of the St. Lawrence River should be carried out, but it would be a very serious thing to go into the development too soon or to carry it out too rapidly and to assume the other serious burdens which are incidental to this work. The scheme suggested would show that the government is actuated with the best motives of trying to determine what is the best thing for the country, and at the same time it would slow down the agitation and excitement which is to a large extent being fomented by organizations in the United States who are doing this work for political purposes."

OFFER OF $90 FOR BRIDGE UNPOPULAR

Feeling Seems to be Stock is Worth More Than That To-day

From Our Own Correspondent.

MONTREAL.—Although Dominion Bridge has been selling at around 70 for some time and went little beyond 80 this week, the offer to option the shares at 90 that was made by an unnamed group failed to attract much interest. It was generally felt that the shareholders would be unwise in giving an option for sixty days on their stock at $90 a share in the face of the past record of Bridge and its high book value per share.

The offer was made through the National Trust Company and there was naturally much guesswork as to the interests represented. There is evidence to believe that the offer comes from the Vickers, Ltd., of England. Sir W. Armstrong Whitworth was mentioned. Both these companies at present have Canadian connections and it is possible that an American group is seeking control of Bridge.

Over a term of the past ten years Bridge has averaged about 13 per cent. on its shares. At the present time the stock has neither bonds nor preferred shares ahead of it and the book value is in the neighborhood of $150 a share. This figure may reasonably be discounted, for a large part of the company's capital is tied up in plant that is not now earning its way.

It was generally felt that in view of the excellent prospects ahead of the company an upward move in the stock was inevitable and the offer of $90 a share was therefore not considered particularly attractive.

RUGGLES MOTOR BEING OFFERED UNDER HAMMER

Trust Company Asking For Bids on the Property

From Our Own Correspondent.

LONDON.—The last chapter in the history of the Ruggles Motor Truck Company is being written, and it takes the form of advertising by the London & Western Trusts of the reception of bids for the property. John F. Moore, manager of the trust company, has been devoting a lot of his time to the handling of this business in the interests of both creditors and stockholders, and even yet entertains hopes that there may be a successful bid put in from local capitalists to save the concern as an industry for London. He has in his possession a cable from a dealer in Australia asking what is to become of one order he placed with the London firm for 41 trucks.

Stock selling became the millstone that destroyed local confidence in the Ruggles Motor Truck Company. Two million dollars' worth of common stock, given to the parent company promoters for their patents and rights in the London firm, was the starting point of the trouble, most of this having been placed with a few local men to dispose of. No such thing was ever intended in the first place, as it was assumed that this stock would be held until such time as the preferred was earning, after which the common would become a paying issue.

Much of this stock was sold at varying figures in the district around London, depending apparently on what the buyers would pay for it. Not only so, but the Ruggles organization in London was used to some extent to sell this common stock. The official stationery of the company was employed, and cheques were accepted over the company's stamp, and signed by John Bridge, the manager.

It is easy to see where the damage was done by this method. The money secured from the sale of this common stock went back to the people to whom it has been issued, and did not become a factor in developing the business. People who purchased it were thus taken off the list of those to whom the regular stock could be sold, and the money go into the treasury of the company.

The Ruggles company gave employment to about 80 skilled hands, and the 1923 business was over one complete truck per day; the foreign trade was on the upgrade, and local users were and are well satisfied with the product. Mr. Moore estimates the value of the holdings as:

Production materials	$157,501
Stock and cars	33,089
Buildings, equipment	277,244
Total	$467,834

Local comment has it that a bid of around $200,000 will probably take the whole works. The London & Western are understood to have a reserve bid, purely for the purpose of preventing the buildings from being sacrificed.

Immigrants Will Follow British Funds Out Here

Discussing the investment of British and U. S. funds in Canada, "The Financier" of London recently said:

> "It is, perhaps, natural that United States interests lying so near the Canadian border, compared with our 3,000 miles' distance, should be quicker to realize Canada's needs and opportunities, but this does not, however, dispose of the real apprehension which is being felt in the Dominion at this constant increase of American influence and authority, it being realized that if we are to keep Canada British, British money, which is nearly always followed by British emigrants, must go to the Dominion in larger quantities."

Auditor Gonthier to Act as Director General of Budget

From Our Own Correspondent.

OTTAWA.—The public agitation for a reduction in expenditure and taxation that has been going on throughout the country has led at least to an overhauling of the Civil Service. The job of finding out what can be cut out has been left to Auditor-General Gonthier, and his two assistants on the newly-created audit board. What they say will go. At $15,000 a year, Mr. Gonthier gets as much as the prime minister, though, of course, the latter has another $4,000 a year as sessional indemnity. To those who know what to expect, it was quite evident that there was something unusual about to be undertaken when this salary inducement was held out.

The government has been impressed with the work of General Dawes as director general of the budget in the United States, and with that also of his successor, General Lord. The budget system has long been in vogue in this country, but it has not been getting results in the way of reducing expenditure that have been got in the United States. So, evidently, it was decided that if money would land the right kind of man he would be got.

Budget Director-General

Auditor Gonthier is as near an approach to the director general of the budget in the United States, insofar as authority goes, as it is possible to get him under our system. He is the financial supervisor of the government, who will pass on the estimates when they come up from the heads of departments, and before they go before the cabinet. Insofar as authority is concerned he has all that is necessary to pare expenditure to the bone, and if he fails to do so it will be through lack of character and personality. The fact that he must pass on estimates will cut the direct political connection that has existed between the heads of departments and the cabinet.

Passing the Buck

While all this looks very fine, as yet official Ottawa is not convinced that there will be much lopping off of heads. Passing the buck is the great game here, and many of the officials who have seen so much of it have yet to be convinced that the new development is but the selecting of a new buck. Not till the axe actually begins to swing will they be convinced that a new order has really been inaugurated.

The public had better make up its mind that if there is to be considerable saving of money, with a chance of lower taxes, it will have to be done before the estimates get into parliament. To ask the House, when it is possibly on the eve of a general election, to lay the axe at the root of expenditure, is expecting too much. The Senate may head off expenditure by throwing back bills to the Commons, but the house doesn't cut, it rather adds to the estimates.

If anything worth while is to be gained through the drive for saving that has been started, the agitation in the country will have to be kept up. Thirty, forty, or fifty years ago there used to be a few real treasury watchdogs in the House of Commons; but they, and others, have been so stoned in the constituencies that those disposed to play that part have given it up as too dangerous a pastime.

Flavelle on Conditions in England, Europe and Canada

Baldwin's Political Error—France and Germany Are Still at War—Need to Reduce Taxes for the Encouragement of Capital to Develop Our Resources

By SIR JOSEPH FLAVELLE

When Sir Joseph Flavelle recently addressed the Toronto Canadian Club, dealing with the British political situation, conditions on the continent and taxation and financial questions at home, he made a deep impression. Perhaps no other man in Canada has in the same degree as Sir Joseph the power of sizing up a big situation from all sides, of weighing the different factors at their real value, and presenting in a most understanding way a complete, clear, picture to his audience. In opening he explained that he had gone to England to attend a reunion dinner of the Ministry of Munitions, of the men who handled the business organization of the Empire during the great crisis. The men he met had treated him with great kindness and "talked with the freedom characteristic of Englishmen when they give you their confidence concerning things political, industrial, and financial in Great Britain."

Why did Mr. Baldwin with a majority of seventy-seven in the House of Commons over the combined Liberal and Labor parties, with no one wanting an election, and with three years of Parliament to run, fall into a position which made it necessary to appeal to the country, and his government to sustain disastrous defeat?

You will remember in the cabled reports of the Prime Minister's addresses, he based his appeal chiefly on three points of view:

(1) He did not propose to continue England as a shock absorber for the surplus products of all countries under the present disturbed condition of exchanges, by keeping it the only free market in the world.

(2) For his part, he was convinced that the remedy for unemployment was in protection of the home industries.

(3) It would be possible to grant preference to the overseas dominions by imposing a moderate tariff.

I presume a Canadian audience of business men, trained as we have been in tariff legislation, will have little fault to find with the Prime Minister's reasons. The Spectator, which had been constantly his friend from the time he was chosen as Prime, Minister, stated in the first issue following the election, "that the Prime Minister was greatly moved by the spectacle of unemployment. He thought he had hold of a remedy which would cure the ills he deplored, and without consultation, or preparation, or deliberation, he threw it at the head of the country, the result being what they saw." This statement by the Spectator voices what was widely felt in Great Britain by men close to political affairs. They said: Mr. Baldwin is an honest, honourable, high-minded gentleman, who has evidenced he was without the experience, training, and political insight and sagacity for the high position which he held at what was perhaps the most serious time in the history of the British people. Do not think that this indicated a feeling of unfriendliness to the Prime Minister. It was one of deep concern and anx-

(Continued on page 20)

C. A. Official Now Admits Soviet Agitator Under Their Auspices

Below is a letter from the Secretary, Students' Christian Association, officially admitting that Paul Blanchard, organizer for the League for Industrial Democracy, addressed Toronto University students under the S. C. A. auspices. This is satisfactory after all the denials and the varied abuse THE FINANCIAL POST has encountered for uncovering a corner of the underground work among the students.

THE POST is in entire sympathy with the view that the boys and girls in our schools and colleges should have every possible opportunity of meeting world leaders in all phases of life—"that they may hear the unprejudiced truth," as Prof. Wrong so well put it. It is important that they have the broadest possible information.

But the numerous organizations represented by Blanchard, Rothschild, Nearing and others who have claimed to speak for labor, the worker, the underdog, do not represent, they misrepresent, these interests. They are engaged entirely in setting class against class, country against country. None of the leaders who are directing or carrying on this extensive propaganda have ever been workers and have no right whatever to speak for labor. They have been utterly repudiated; violently condemned as dangerous to the industrial cause; and exposed as working in the interests of enemies of Great Britain, the United States and France by all the great labor leaders and great labor organizations of this country.

THE POST in the interests of this country and its future, and in the interests of the parents and the boys and girls, gave the unprejudiced truth about the work these foreign emissaries and their dupes in this country were carrying on, but only the surface doings were uncovered. It is extraordinary that in the case of the University of Toronto it was not the authorities themselves but some groups of loyal students who made inquiries, found that the facts were as stated by THE POST, and are aiding THE POST in exposing them. They state very positively that Blanchard and his work

(Continued on page 13)

PAPER MAKERS LOSE AUSTRALIAN TRADE

Canada Hopes to Get Benefit of British Preference—Russian Prospects Uncertain

From Our Own Correspondent.

OTTAWA.—With trade missions soon to arrive from Australia and Russia there is much expectation in trade and commerce circles over the result of the ensuing negotiations. A strong effort will be made to secure the consent of Australia to including Canada within the preference granted to Great Britain. Failure to include Canada in this arrangement is proving very costly to the pulp and paper manufacturers of this country. During the eight months ending November, shipments of newsprint to Australia were only 27,243 cwt., as compared with 458,552 for the same period in 1922. The value also dropped from $1,723,930 to $203,000. In November there were no shipments, as compared with nearly 51,000 cwts in November, 1922.

It is thought that the probable failure of the British parliament to carry into effect the preferential trade proposals of the Baldwin government, made at the recent Imperial conference, may make Australia much more disposed to talk reciprocal trade with Canada.

No one knows what the prospects are for better trade with Russia. If payments can be arranged for, there is no doubt that a market there exists for some Canadian products, especially farm implements, and the manufacturers need the business. But no one here knows anything about actual conditions in Russia, and the outlook for reliable information just now from there is not good.

CANADA TAKING DOMINANT PLACE AS WHEAT GROWER

American Farmer is Worse Off Than the Canadian

BANK SYSTEM BREAKS

Failure of 500 Financial Institutions in the Wheat Belt Indicates Superiority of Our Banking Facilities

NEW YORK.—Bankers acquainted with conditions in the American Northwest are inclined to believe that there is nothing the Eastern banks or the Federal government can do to remedy the conditions which, during the past two years, have caused the failure of over five hundred banks, and caused the ruin of thousands of grain growers. They apparently believe that the conditions in the Northwest are the outcome of the combination of a number of factors which are beyond the control of both the banks and the government. There are remedies, most students of the situation acknowledge, but they are remedies which it would take time to put into effect; and the farmers, facing ruin, like the banks which have aided them in recent years, cannot wait. Both farmers and banks must have immediate assistance. They cannot wait for the application of such remedies for their present troubles as diversification of crops or the planting of flax and sugar beets rather than wheat.

The situation will, of course, as a number of bankers have pointed out to your correspondent recently, right itself, as most economic situations of this kind eventually do. The farmers who continue to plant wheat in the face of all commonsense counsels to to the contrary will be forced out. They will either go to the cities or to other parts of the United States. Those farmers who are wise enough to see the handwriting on the wall will, if they are financially in a position to do so, adopt scientific farming, go in for dairing, flax and beet growing, and probably, if they are fortunate, manage to work out their own salvation. So far as the banks serving the Northwest are concerned, it appears likely that dozen more must go out of business; candid students of the situation state that in certain parts of the Northwest the country

Continued on page 18)

Speech From Throne Stressed Mine Progress

Mining had a prominent place in the speech from the throne at the opening of the Ontario legislature. It is the first time in the province's history that it has been so strongly featured. Emphasis was laid on the possibilities of developing the iron ore industry. The fact that legislation would be introduced to provide a bounty was clearly stated, the federal government to be invited to participate. The desire to stabilize the mining and forest industries to the end that their rapid development will result, a policy early set forth by Hon. Chas. McCrea, minister of mines, was emphasized. Railways for the north were also prominently mentioned.

FEATURES

Wages Have Not Come Down With Cost of Living 2
Industry Suffers From an Obsolete Assessment Act 2
N. S. Coal Strike Broader Than Local Affair 3
European Tourist Gives Views on Canadian Northwest 3
Market Fairly Active; Advances Exceed Losses 4
Earnings of Montreal Cotton Show Little Change 5
City Dairy Made Over 41 Per Cent. on Common 6
Brazilian Traction a Big Canadian Project Far Afield 6
Steel Plants in Winnipeg Being Well Protected 7
Canadian Paper Output in Excess of Local Demand 7
Clifton Secures Fine South Lorrain Claims 8
Canada Can Get on Gold Basis, Thinks Leacock 9
Former Telegraph Operator Now a Giant of Business 10
Less Activity in Bonds but Prices Hold Firm 12
Interest a Big Item in All Provinces' Expense 12
Winnipeg Adopts Extended Central Heating Project 13
Alberta Government Claims Large Savings Made 13
Lapsing of Life Policies Studied by Underwriters 14
Crerar Thinks That West Has Turned Corner 16
Canadian Boats Use Canal Route East to B. C. 17
Revive Sample Market Drive at Head of Lakes 18
Huron and Erie Complete Year in Strong Position 19
Sir Joseph Flavelle on European and Canadian Conditions 20
Editorial—What Freedom Is—European Developments—Soldier Attitude to Germans—The Charge Against Our Paper Makers—Truck Creates a New Road Problem 10

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The Bank's Annual Statement has just been issued and copies thereof are available for anyone, on application, at any branch of the bank.

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WAGES HAVE NOT COME DOWN WITH COST OF LIVING

Canadian Worker's Pay Will Buy More Than in 1913

MINERS' UP MOST

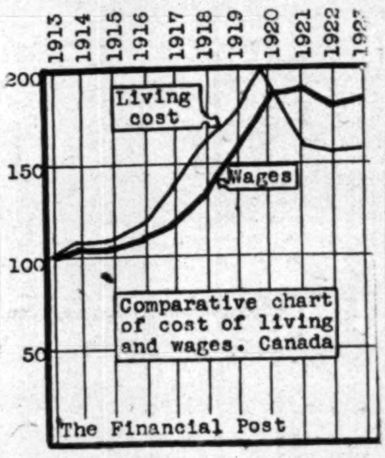
Factory Workers' Wages Have Doubled While Cost of Living Has Gone Up Only 54 Per Cent.

From Our Own Correspondent.

MONTREAL.—Wages in Canada have not followed the cost of living in its downward movement. The dollars in the average workman's weekly envelope will buy more at to-day's prices than the contents of the same pay envelope before the war. These facts stand out in comparing figures of the comparative cost of living with figures of comparative wages in Canada. From 1913 to 1919, when prices reached their peak, wages trailed along in the rear; there were upward adjustments, but these did not come as rapidly as the increases in the cost of living. From 1920 to the present time, while prices have been on the decline, wages have come down very slowly, and so the standard of living of the average workman is on a higher plane than it was before the war.

Comparing Wages and Expenses

Taking the average of the cost of living before the war as 100, the cost of living in Canada to-day is about 154. Taking average wages in Canada in 1913 at the same figure, 100, the average wage to-day is 178. After all, the only way to compare wages is after the actual sums received have been compared with the cost of living, and so it is apparent that the worker who received $100 in wages in 1913 is, to-day, drawing an amount that will buy as much as $116 would have bought in that year. His standard of living is one-sixth better, or, to put it another way, his wages have been boosted by one-sixth.



Biggest Boost in Coal Mining

Contrary to general impression, wages have not climbed most rapidly in building trades, or railway work. The biggest boost in wages has come in coal mining. The coal miner to-day receives twice as much as he did before the war. The average wage, to be exact, is 198 per cent. of the average pre-war wage, and, as the cost of living is only 54 per cent. higher, the coal miner in Canada has in reality received a thirty per cent. increase in income.

Workers in the factories have done almost as well, and their wages are 196 per cent. of the 1913 figure. Printers' wages are 186 per cent. of the pre-war amount. Metal trades have increased wages to 174 per cent.; lumbering to 170 per cent.; building trades to 166 per cent., and steam railways to 157 per cent.

The wages figures are as compiled by the Dominion Department of Labor, and the cost of living figures are based on the family budget outlined by the same department.

Handicaps of Canadian Woollen Manufacturers

The Canadian Woollen Manufacturers' Association Bulletin will state:

Surveying the government figures of imports for last year in competition with the cotton, silk, and linen mills, as well as our own woollen and knitting mills, we find that $14.40 worth of manufactured textile products for each man, woman and child in Canada was imported from abroad during 12 months. The total is $112,444,724.

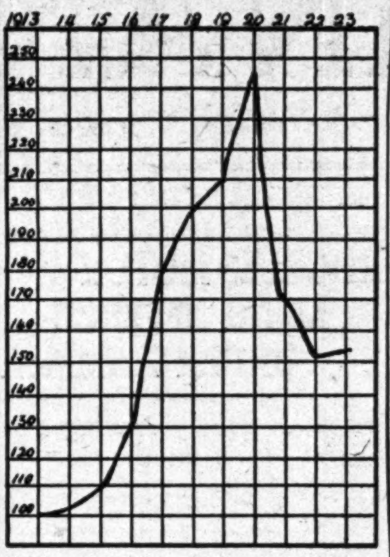
The bulk of these goods could be produced in Canada and as their value, outside of the cost of the original raw material is all labor, the direct and indirect wages lost to the country amounts to almost the value of the imports.

The reason why the bulk of these goods was not made here, is that the customs duties are so low that the low paid workers in Great Britain and Europe have an advantage in our home market over the better paid workers in Canada. The wage scale in Canada is determined by the wage scale in the United States.

Goods partially or completely manufactured by workers in European countries can be shipped into Canada from Great Britain under the British preference.

Also there is no compensation given in the administration of the customs duties for the effect of depreciated currencies on goods from Great Britain, France, Belgium and Italy. To give an example, a paper pound will buy in England to-day, just as much as a gold pound, but goods from Great Britain are valued for duty purposes at the exchange value of the paper pound as compared to the Canadian dollar. The effect is to actually lower the already too low duties.

The Trend of Prices



The index number of wholesale prices compiled by the Dominion Bureau of Statistics and weighted according to the commercial importance of the 238 commodities included, shows a rise of one point for the year 1923, being 153.0 as compared with 152.0 in 1922. The course of wholesale prices from 1913 to 1923 is seen in the above chart.

BRITISH EXHIBITION AND FAIR TOGETHER

Will Be on in May in London Providing a Double Attraction

The Tenth British Industries Fair will be held in May to enable visitors to combine pleasure and education with business by seeing the great Britsh Empire Exhibition, which will also, by that date, be open in London. The visitor will be able to make his survey of the goods of Britain's most enterprising manufacturers at the Fair at the White City, London, and at Birmingham, and then see at his leisure the wonders of the Exhibition.

It has been arranged that the London and Birmingham sections of the Fair shall follow each other with only a week-end intervening. This arrangement, while keeping the period of the Fair within reasonable limits for the exhibitors, will allow the buyer to spend whatever time he wishes, from one day to a month, in the Fair. It will enable him to visit both centres with ample time at his disposal in which to select his lines, place his orders, and settle all business details in comfort before turning to the educational and pleasure side of his visit.

Strict segregation of the exhibiting trades into clearly defined sections at each centre of the Fair enables him to inspect the particular line or lines with which he is concerned in the minimum of time, and with the maximum of comfort. The fact that admission to the Fair building is limited by personal invitation to the bona fide trade buyer prevents crowding.

British Industries Fair, in 1920, filled the Crystal Palace, the largest single exhibition building in the world. From the Crystal Palace it moved to the famous White City, its home for this year, to occupy a great range of halls and galleries, until now one of the largest exhibition areas in Europe. But, though able to house the British Industries Fair of 1921, 1922, and 1923, the White City is far short in area of the enormous halls and palaces now in course of erection to become eventually the home of this ever-growing Fair. The actual halls for the 1925 Fair will cover 20 acres of ground.

CANADIAN MILLERS GOING AT CAPACITY

Much Export Business Being Done—Canadian Flour Now Even as to Rates

MONTREAL.—No very substantial benefits have yet come from the so-called equalization of ocean freight rates on Canadian and United States flour that was recently arranged. One at least of the heads of the milling companies has said that the removal of the discrimination against Canadian flour will not at the moment have any effect on the export of flour by Canadian millers because of such other factors as American exchange. At the same time, by Canadian flour being on an even basis in competition with the United States flour shipped to the United Kingdom, Canadian mills are removed from the necessity of cutting into their profits to maintain export business.

Most of the flour mills in Canada at the present time are operating at capacity. Domestic business is fair and the export market is still absorbing a very large quantity of Canadian flour. It is the opinion of Canadian millers that Canadian flour has so established itself that it will be able to compete in world markets for many years to come.

Business Indicators In the United States

WASHINGTON.—The Department of Commerce announces the following figures covering basic, industrial and commercial movements in December.

Additional December business indicators, based on the 1913 average as 100, show the following changes from the previous month and from December, 1922. Consumption of cotton at 99 from 114 in November and 114 a year ago, copper production to 126 from 125 and 103, respectively; anthracite-coal production to 105 from 102 and 111; bituminous output to 101 from 108 and 117; wholesale prices to 151 from 152 and 156. On 1919 as 100 new building contracts awarded in floor space changed from 111 in November to 102 in December as against 83 a year ago.

INDUSTRY SUFFERS FROM AN OBSOLETE ASSESSMENT ACT

Ontario Measure Will be Revised; Business Interests Asked for Views

TAXATION A BURDEN

Income and Other Taxes May Keep Concerns From Establishing Plants in Ontario

The present Assessment Act of Ontario has outlived its usefulness and will be completely revised. The present measure came into force in 1905 and has been amended many times since. There are many of its original clauses obsolete and many of its amended clauses are more or less of a handicap to business. These facts were recently pointed out to Hon. G. Howard Ferguson by a delegation from the Canadian Manufacturers' Association. They got a most sympathetic reception and were promised that the matter of a revision would be taken up and business organizations afforded an opportunity to put forth their views as to what changes should be made in the law as at present constituted.

Five important changes have been emphasized as being a direct burden on business. In this connection the importance of industries to the province was pointed out, as there is a danger that high taxation will keep new firms from coming into the province. The five important points brought out are:

Repeal of the municipal income tax on industrial dividends which are already fully taxed.

The clarifying of the statute to enable fixed machinery to be exempt from municipal income tax.

The exemption of bona fide reserve funds from municipal income tax.

Permitting subscriptions to charitable and educational objects to be exempt to extent of 15 per cent. thereof per annum.

Stabilizing of assessments on industrial plants by fixing the assessment for a term of years.

The municipal tax on industrial dividends has long been held to be unfair. In this connection it is contended that Ontario concerns are handicapped in competition with Quebec concerns where there is no tax whatsoever on dividends from shares of commercial and industrial corporations.

Prior to the year 1923, most of the large municipalities in Ontario, except in respect of power or electric railway companies, exempted fixed machinery used, intended or required for the production or supply of motive power, including boilers and engines, gas, electric and other motors. Recently, however, the courts have held that as section 5, subsection 17 now reads "such fixed machinery was not tax-exempt." When it was brought to the attention of the courts that it was the almost universal practice to exempt such machinery, the position taken by the court was that the wording of the subsection was ambiguous and it was for the Legislature to clarify it.

It is contended that income from bona fide reserve funds should not be taxed as though derived from some source other than the main business of the taxpayer. There has been considerable litigation recently over the question whether income from reserve fund should be treated as income not derived from the business in respect of which business tax is paid. It was submitted that sound accounting practice regards a bona fide reserve fund as an integral part of the business and any income derived from the investments of such reserve fund should not be considered income derived from a source other than the business.

The oft-battled point of allowing subscriptions to charitable and educational objects to be allowed as deductions from income to the extent, at least, of 15 per cent. thereof per annum is raised. The argument in favor of the change is that unless such a deduction is allowed, charitable and educational objects are bound to suffer. This deduction is allowed in the United States.

Industries will also ask for a stabilized assessment such as is granted railways over a term of years. It is contended that the hazard in industry is much the greater.

Britain Takes More Cattle and U. S. Less

From Our Own Correspondent.

OTTAWA.—Canada during 1923 exported 52,000 fewer cattle than during 1922, but she sent about 39,000 more to the British Isles than during the preceding year. In shipments to the United States, however, there was a slump from 189,760 to 96,873. There was a slight drop in exports of calves, or from 27,955 to 24,219, practically all of which went to the British Isles. There was a more serious slump in exports of sheep from 91,864 to 30,603.

Exports of beef were 22,722,000 lbs., as compared witth 26,340,000 in 1922; on the other hand, exports of bacon jumped from 99,141,000 to 100,304,000 lbs.; while pork went from 1,680,000 lbs. to 3,342,000 lbs. Shipments of mutton dropped from 4,688,000 lbs. in 1922 to 1,707,000 lbs.

Vanderlip Predicting Lower Rates for Money

NEW YORK.—Money rates are too high in the light of statistics, according to Frank A. Vanderlip. He said recently that he thinks the money market will be easier soon. Asked about the rediscount rate Mr. Vanderlip said: "The rediscount rate could well be reduced, with credit so abundant. High grade securities are selling at prices, in many instances, much below their true worth, when the large corporation earnings and present dividend returns are considered."

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N.S. COAL STRIKE IS BROADER THAN A LOCAL AFFAIR

All Eastern Canada Interested in Question of Coal Costs

B. E. STEEL'S STAND

Corporation Takes the Position That Miners and Employers Alike Will Benefit from Lower Daily Wage

From Our Own Correspondent.

MONTREAL.—That the strike in the coal mines of the British Empire Steel Corp. in Nova Scotia is far from being a local affair was emphasized in a significant remark by Roy M. Wolvin, president of the corporation, in the course of a statement here outlining the company's position. He pointed out that the cost of coal production in Nova Scotia last year was greater than the steel producing industries at Sydney and New Glasgow could profitably absorb.

This indicates how the future of the steel industry in Nova Scotia, and in a similar way of other industrial and railway concerns in Eastern Canada, is bound up with the cost of coal production. It is to the end of getting down the cost of producing each ton of Nova Scotia coal that the company has made its new proposal to its employees of a reduced daily wage.

Better for the Workers

A reduction in the daily wage of the employees, it is felt by the British Empire Steel Corporation, would so reduce the cost of coal as to make it possible for the Nova Scotia coal to compete successfully in Quebec and the Maritime markets against American coal. Given such a fair basis of competition, the corporation claims that it could greatly increase its coal sales and, therefore, its production of coal.

This would give a better continuity of employment to the workers in the coal mines of Nova Scotia, and would mean that in the course of a year the average laborer would receive a higher annual income than he can receive under present conditions with a limited output of coal.

It is felt by the British Empire Steel Corp. that the present fight between the company and the radical leaders in the Cape Breton coal fields concerns not only the rate of annual income that will be earned by the miners themselves but has a very direct bearing on the future of the coal prices, and, therefore, on the whole economic and industrial welfare of Canada.

Want Industrial Peace

It is more and more apparent that the heads of the British Empire Steel Corp. are now anxious to promote industrial harmony at their plants in Nova Scotia. The long drawn out fight between the company and the employees during the past few years has been a very costly one, not only in reducing the annual income of the workers, but also in reducing the profits of the various plants. It is felt by the officers of the British Empire Steel Corp. that if conditions could be so adjusted as to have the antagonism between the company and employees removed that coal mining in Nova Scotia would produce satisfactory returns not only for the miners themselves but for the shareholders in the company. As one of the directors put it in a statement this week: "The British Empire Steel Corp. can only be operated profitably if the men on the one side and the shareholders on the other recognize that their interests are mutual and not antagonistic."

Miners are Jockeying

No early settlement of the trouble in Nova Scotia is looked for, because it is felt that the miners are jockeying for position in case there should be an international strike of coal miners on April 1. The coal miners in Nova Scotia take their orders from the International Union, with headquarters in United States, and the Nova Scotia fight situation is likely to be juggled not in the interest of the Nova Scotia miners themselves but to best serve the broader interests of the International Union as a whole.

There is reason to believe that the whole situation in Nova Scotia seems to be due to an attempt on the part of the United Mine Workers to force the British Empire Steel Corp. to adopt United States standards of wages and labor conditions throughout the Nova Scotia coal fields. That such standards cannot profitably be applied to Nova Scotia is stated by officials of the corporation. They point out that in Nova Scotia the field has been operated for a longer term of years than any of the American fields, and that, therefore, costs of production have risen more than in the newer and more virgin fields of the United States, where no attempt is made to operate a mine once the cost of production begins to rise.

Radicals Are Fighting Mellon Tax Reduction

WASHINGTON.—Republican leaders in the House and a large number of the Republican rank and file predict defeat of the substantial provisions of the Mellon bill once it is reported to the House by the Ways and Means Committee.

This situation is due to the fact that many radical Republicans, mostly from the agricultural states of the west, have voiced their intention of opposing the Mellon bill even though it is a party measure. They will endeavor to name their own rates, but if the Democrats hold firm behind the maximum 44 per cent. of the Garner plan, the radical minority will control and defeat the principal provisions of the Mellon bill.

Heavier Freight Traffic But Lower Earnings

OTTAWA.—That the railways have to work fairly hard for any increase in earnings is seen in the November operating statement of the Bureau of Statistics, which shows that in the case of the Canadian National Railways, a 10 per cent. increase in freight traffic during the month over that for the same month last year, was accompanied by a decrease of $151,570 in earnings. In the case of the Canadian Pacific there was an increase of over nine per cent. in revenue ton miles, the increase in revenue being only 2.7 per cent.

Russia is Again an Exporter of Wheat

NEW YORK.—Before the war Russia was called the "granary of Europe," as she produced more grain than any other country on the continent. During the revolutionary period Russia produced little grain, for her fields were devastated. She is now rapidly retrieving her place as a grain producer, however, as is shown by the fact that in recent weeks between 1,000,000 and 2,000,000 bushels of wheat were landed at Mediterranean ports by the so-called "Black Sea Fleet," which has not been active for several years.

The Canadian North-West as Seen by a European Tourist

Winter Conditions are Exacting—Success for the Workers —Credit Has Been Stretched

OTTAWA.—A tourist from Europe who has recently revisited the Canadian Northwest after an interval of several years gives us the following account of his impressions:

It is quite an interesting and illuminating experience to see the Canadian prairie provinces in winter time, because then everything appears in a different light, and agricultural as well as general economic conditions present aspects that are not so clearly perceived in summer. One thing especially is more fully realized: the difficulties a newly-arrived settler is necessarily confronted with during his first few winters in his new surroundings. One can easily imagine that farmers who had their former experience in England or western Europe, where every inch of ground has been under cultivation for centuries, and where schools, churches, and all the other achievements of modern civilization, are close at hand even in the smallest places, should at first somewhat be taken aback when they find themselves under the more primitive and climatically more exacting conditions. They should not, therefore, be judged too severely if they sometimes give voice to complaints; it must of necessity take a few years until a newcomer can take root and feel really at home in this part of the American continent, the more so if the immigrant belongs to the less educated class and cannot, therefore, be expected to possess the easy adaptability of an experienced globetrotter.

Successful Immigrants

It is only natural that after the period of initiation the settler of Anglo-Saxon extraction should achieve the best results; among the others the most successful appear to be the Swedes, Germans, especially those who have come from Russia, the Poles and Hungarians. What one hears from all these various elements of the rural population of the northwestern provinces is practically a confirmation of what has been said in the numerous press comments on the general economical situation there. This does not seem to have improved very much since last year, with the exception of Alberta, where a marked progress is evident. Most of the farmers complain and say that the good results of last year's crops have only prompted their creditors to more pressing action, and, in fact, the not inconsiderable number of judicial sales that are announced in many of the smaller towns is rather striking. One may see many farms that have changed hands in the last year or two owing to their owners having been compelled to give up and go to the United States to work in factories there. These conditions seem to be pretty general, and it would not be astonishing if the provincial legislatures are asked to consider some kind of moratorium in favor of indebted farmers, though such a measure might certainly also have serious disadvantages.

Very many of the Western farmers have bought during the prosperous years large tracts of land and expensive agricultural machinery on credit, and seem to have been generally rather extravagant. They say that the land bought at prices from $60—up to $80—per acre is now hardly worth more than about $25—to $30—and that this makes it very difficult for them to pay the interest on the sums borrowed. A farmer of foreign extraction told me that he had just sold about three-quarters of this year's wheat crop, for which he had obtained $1,762, and that after having paid his taxes and interest he had just $74 left, from which he must defray all his expenses until next spring.

Although all these people have been actuated by the desire to get rich quick, and by their natural greed to possess more land than they could ever have expected to cultivate thoroughly, one cannot but feel a certain sympathy with their present plight. On the other hand, all those who have resisted the temptation to engage in speculation based on the presumption of an ever-increasing wheat price, seem to be very well off and even more prosperous than they were before the war.

It is evident that immigration has largely increased during the last months, and that these newly-arrived people have all obtained employment on the farms without much trouble. I have met quite a number of them, many coming from parts now incorporated into the new political formations of Europe, and they all said that they had found work within a few days of their arrival. This would seem to show that the offices and organizations, occupied with the distribution of incoming farm laborers, are doing their work efficiently, and that there is still a very real shortage of farm hands throughout the Western provinces. Many of these newly-arrived immigrants belong to a fairly educated class, and have had to accept very humble positions, but having lost their former situation and possessions they are now compelled to take up what employment is offered to them. Otherwise, they face their present situation with great courage, and are hopeful that they will eventually succeed in obtaining by and by a better income. A general interest in the questions of immigration is manifest everywhere, and everybody contributes willingly towards settling arising difficulties. It might, therefore, be confidently expected that if the present improvement in the general situation asserts itself for some time to come the Canadian Northwest will enter upon a new phase of prosperity.

Consumption as Factor in the Oil Situation

NEW YORK.—The Alexander Hamilton Institute Trade Bulletin estimates, from the number of automobiles to be in use, that domestic consumption and exports of gasoline in 1924 will reach a record figure of 8½ billion gallons, which would require a production of 800,000,000 barrels of crude oil, compared with 725,000,000 in 1923. Reduction of stocks is therefore indicated, since present prices are not high enough to stimulate such a heavy increase in production.

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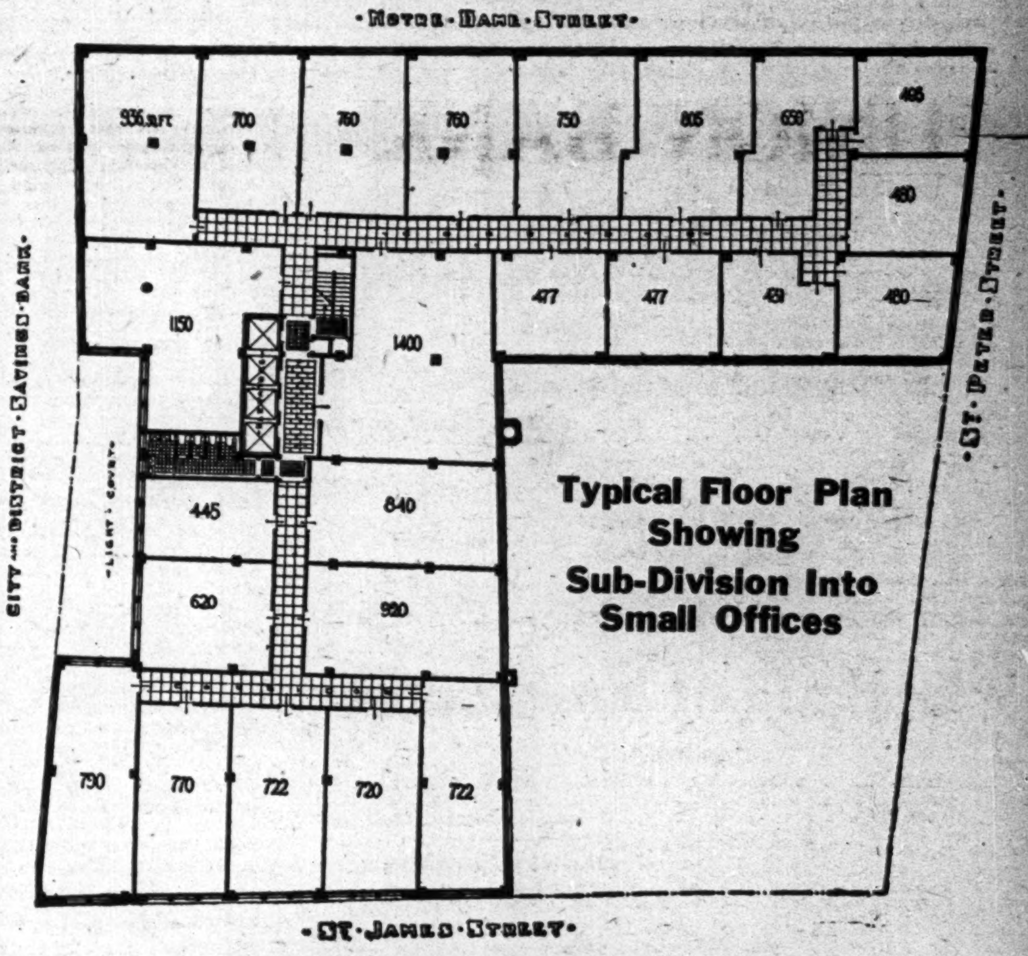

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News and Views for Investors

BELL PHONE RIGHTS

It is interesting to note that while Bell Telephone slipped back two points to 127, the rights on the new stock advanced to five. There seems to be a heavy demand for rights, the total transactions in rights to date being 11,800.

DOMINION STORES

Dominion Stores has now 285 stores operating as compared with 190 a year ago. Most of the new stores were not operating for the full year. So it is expected that 1924 sales will exceed the 1923 total of $7,800,000 by a substantial margin. Since the first of the year the price of the common stock has advanced from 26½ to 28½, while the preferred moved up from 81 to 88½.

WESTERN CANADA FLOUR

The management of the Western Canada Flour Mills state that their plants have never had on hand so many orders to fill as is the case at present. The company has been heavily sold up for three months with very profitable business and they are reasonably assured of a large and profitable turnover in both domestic and export orders.

OTTAWA TRACTION

The annual report of the Ottawa Traction Company for 1923 gives no more than the usual information showing $279,075 received from the Ottawa Electric Railway Company and distributed in dividends and bonus amounting to 5 per cent. on the $5,581,000 of capital stock. President Ahearn states that efforts during the year have been directed towards the maintenance of plant and equipment in an efficient condition.

CANADIAN LUMBER OUTLOOK

Taxes and high transportation costs are handicapping the Canadian lumber industry in competing in the world's markets. For this reason few lumber concerns will show a nominal profit in 1923, according to Angus McLean, president of the Canadian Lumbermen's Association. Decline in European trade, and Scandinavian competition, due to lowering costs have also been factors. Mr. McLean warns against "artificial stimulation" of the pulp and paper stock industry, which, he said, now is the second largest in Canada. He also warned against unfair prices that will stifle the industry.

CITY DAIRY

The annual report of City Dairy, indicating earnings of over 40 per cent. on the common stock after the payment of preferred dividends, was followed by a sharp rise in the price of the common stock. The report is reviewed elsewhere in this issue. At the annual meeting shareholders will be asked to confirm and approve a special resolution passed by the directors on the 30th day of November, 1923, providing that Messrs. C. D. Massey, A. E. Ames and S. J. Moore be reimbursed to the extent of their loss with interest caused by the calling up of their personal guarantees upon the closing out of the Condensed Milk Company which had been formed in 1903 as a subsidiary of the City Dairy Company, Limited.

THE PEDLAR PEOPLE

The report of the Pedlar People Ltd., Oshawa, for 1923 will show very satisfactory profits—profits the largest in the company's history with the exception of 1922. The liquid surplus is reported to be the largest the company has ever had, after taking into consideration the fact that the bond issue did not cover within two or three hundred thousand dollars the expense of building the factory. It may be pointed out that $50,000 of the bonds have already been retired thus making for additional security on the remaining $450,000 of the issue.

The results being obtained amply justify the improvement in plant and equipment effected through the bond financing. Increased efficiency in the new factory, the cutting out of unproductive labor and other costs are enabling the company to easily take care of the bonds maturing and the interest on the issue.

GASOLINE PRICES

Wholesale price of 29.5 cents an imperial gallon for gasoline, recently established in Canada, is for a quantity equal to about 1 1/5 (1.1997) U. S. gallons, the British imperial gallon being used as the unit of measurement. This is equivalent to a price of 24.55 cents for a United States gallon and compares with present average tank wagon price in 30 representative American cities of 17.13 cents a gallon, exclusive of tax. Canadian retail price of 33 cents an imperial gallon is equal to 27.5 cents a United States gallon. This compares with present retail price in New York City of 23 cents a gallon. No general gasoline tax has yet been levied in the Dominion of Canada, but it is expected that a measure providing for a tax of 2 cents a gallon will be introduced at forthcoming session of the Ontario legislature. Funds derived would be applicable to highway improvement. It is planned to exempt motorboats, farm and stationary engines from tax payment.

CONSUMERS GAS

The talk at the city hall about getting after the Consumer Gas Co. has not scared investors away from this issue, or caused any panic among the shareholders. A steady accumulation goes on, the stock having firmed over 5 points while the agitation was at its height.

Public Utility Earnings

DULUTH-SUPERIOR TRACTION

Fourth Quarter—	1923	1922	Chng. %
Gross .. ..$	463,018	$ 493,319—	6.14
Oper. exp. .	380,657	359,701+	5.83
Net rev. ..$	82,360	$ 133,618—	38.36
Fxd. chg. & tax	84,033	75,809+	10.85
Net inc. x$	1,672	$ 57,808—	102.89
Twelve Months—			
Gross	$1,933,337	$1,811,747+	6.71
Opr. exp. .	1,500,987	1,405,365+	6.80
Net rev. ..$	432,349	$ 406,381+	6.39
Fixd. chg. & tax	309,238	291,767+	5.99
Net income $	123,100	$ 114,614+	7.41

x Decrease.

CALGARY POWER COMPANY

Earnings—October, 1923

Gross	$31,429.29
Operating	6,324.04
Net..	$25,105.25

The above figures show an increase of $6,204 gross and $5,728 net compared with October, 1922.

BRITISH COLUMBIA ELECTRIC

Earnings—November, 1923.

	1922	1923	Incr.
Tot. gr. earn. $	891,189	$ 899,124	$ 7,935
Less wrk. ex. main., etc.	602,735	607,112	4,377
Net inc. ..$	288,454	$ 292,012	$ 3,558
Ag. gr. earn. July 1 to Nov. 30, 1923 ..	$4,266,650	$4,339,366	$72,716
Ag. net earn. July 1 to Nov. 30, 1923 ..	$1,236,790	$1,276,852	$40,062

Southern Canada Power

December

	1923	1922	Inc.
Gross earnings	$89,420	$78,392	$11,028
Operating expenses	38,500	34,995	3,505
Net earnings	$50,919	$43,397	$ 7,522
Three Months Ending December 31			
Gross earnings	$257,382	$228,616	$28,716
Operating expenses	115,382	101,911	13,610
Net earnings	$141,810	$126,704	$15,106

Railway Earnings

CANADIAN PACIFIC RAILWAY

Week end.	1924	1923	Change
Jan. 31	$4,263,000	$4,239,000+	$24,000

CANADIAN NATIONAL RAILWAYS

Week end.	1924	1923	Change
Jan. 31	$5,795,875	$6,202,674—	406,799

Canadian sugar stocks seem to be following the lead of sugar shares across the line. Their position is said to be similar to that of the oil stocks' advance in the price of their product.

MARKET FAIRLY ACTIVE; ADVANCES EXCEED THE LOSSES

New York Advanced But Was Hardly as Bullish as Many Expected

OUTLOOK BEARISH

No General News to Warrant Further Advance While Profit Taking Would Retard Progress

The market has enjoyed a fairly good week, all things considered. The table below indicates that there has been considerable strength to the list with gains exceeding the losses by a fair margin. Some of the gains were material while few of the losses were other than fractions.

Early in the week the market activity was by no means general, though they were enjoying a fair market at New York, but nothing like what some thought would follow the U. S. Steel bonus dividend. The strength of some of the industrials and steels was quite noticeable, though the inactive issues in the former group equalled those that figured in the trading. Bank stocks were not nearly as active, while the paper group showed somewhat of a recovery. Milling shares were in the neglected column along with the textiles. Utilities which have been getting a good share of the attention stepped to the background. Tractions were slightly better.

The table:

Group	Total	Gains	Loses	Unch.
Banks	11	4	2	5
Paper	9	4	3	2
Steel	5	3	1	1
Milling	7	1	1	5
Utilities	11	2	5	4
Tractions . ..	13	4	2	7
Textiles . ..	8	0	3	5
Industrials .	24	8	4	12
	88	26	21	41

The market has enjoyed a fairly prosperous movement for some time now. As pointed out last week, further advances would only be justified if there were signs on the horizon of some development in business that would warrant a further enhancement. Close students of the market cannot see this. There is also the profit-taking factor to be considered. There are many holders today in a position to take profits and would undoubtedly do so on any further upward move. In sizing up the outlook it is well to weigh a point brought out by Moody's Investor's Service in a discussion on the present position of the market.

"A widely held delusion is that we have passed completely through a great bear movement, and are now entering into an expansion period comparable to 1922 or 1915-16. Yet records show that the stock market for nearly two years has not been down to a genuine bargain level, and that stocks, after experiencing a major reaction last year, have merely enjoyed a major rally which has carried them back into the price areas at which the heavy distribution of 1922-23 occurred.

"Just at present stocks are a poor barometer of general trade. The contraction in the latter seems to mean accumulation of purchasing power, and to warrant conservatism for the present and confidence in the future."

Assets of Saskatchewan Life Show Good Increase

The Saskatchewan Life Insurance Company, which has its head office at Regina and operates only in Saskatchewan, shows in its annual statement for 1923 a substantial increase in assets during the year to $713,923. This is highly satisfactory in view of the uncertain conditions in the province. Of these assets $307,064 were in bonds and debentures and $225,613 in first mortgages on real estate. The paid up capital stock is $100,000 and the surplus over all liabilities is $96,687.

The total income for the year was $242,662, of which $197,211 was net premium income and $40,984 interest on investments. The rate of mortality was highly favorable, being only 33 per cent. of the expected.

E. W. Bickle is President of Toronto Bond House

A new bond house, to be known as E. W. Bickle & Co., has been organized by E. W. Bickle, who has been engaged in the bond business for 14 years, and is well known in financial circles. The new firm will deal in government, municipal and corporation issues.

Canada Cannot Compete For World Trade Without Tax Cut

From Our Own Correspondent.

MONTREAL.—Speaking as head of one of Canada's largest business institutions, the Montreal Light, Heat and Power Consolidated, Sir Herbert Holt this week reiterated the demand for a cut in national taxes that he made as president of the Royal Bank of Canada a few weeks ago. It was imperative that taxes be reduced if Canada was to be able to compete in world trade, he told the shareholders of the corporation at their annual meeting this week.

Sir Herbert said: "It is imperative that the federal government, and the provincial and municipal governments balance their budgets and reduce taxes and thus allow us to return to normal conditions and develop our natural resources.

"Otherwise, we will be unable to compete with other nations in trade throughout the world. It is the more essential when we consider that practically all other nations have reduced their rates of taxation."

Sir Herbert Holt also stated that he had brought to the attention of the federal government the necessity for putting privately and public-owned utilities on an equal basis as regards taxation. He pointed out that the taxation of Montreal "Power" was heavy and openly discriminatory, as its operations were subject to heavy federal income taxes, whereas the provincial and municipal undertakings of Ontario, although on a similar commercial basis, not only enjoyed immunity from provincial and municipal taxation, but under the federal law were exempted entirely from income taxation. "These taxes unfavorably handicap Montreal and the province of Quebec," said Sir Herbert, who added: "It is to be noted that all public utilities in Great Britain, whether publicly or privately-owned, are taxed. The same thing should apply in Canada, and I have called the attention of the federal government to the necessity for changing our policy in this regard."

Asbestos Merger Waits On Quebec Government

MONTREAL.—Negotiations are on for the acquisition of the Bennett-Martin Asbestos Company by J. A. Jacobs, of Black Lake Asbestos and Asbestos Mines. This probably means that the Bennett-Martin Company, which recently went into liquidation, would go into Jacob's new asbestos merger that has been under discussion for some time.

Asbestos merger negotiations are quiescent now and no further activity along these lines is expected until action has been taken by the Quebec provincial government to give further protection to asbestos producers.

WANT CERTIFICATE RE INCOME ARREARS FOR MONEY LENDERS

Suggestion that Might Overcome Bad Feature of New Law

It is being suggested that in the event of failure to get relief through a repeal of the law making Dominion income tax arrears a first claim on property, it may be possible to get Ottawa or the district officers to issue a certificate showing the position of a property in regard arrears. This might bring about an easing in the tense situation which money lenders see arising when the new measure becomes operative this year. Section 25, which has been added to the 1917 Income War Tax Act, makes income taxes a first claim on property, standing ahead of mortgages. There is consternation among money lenders as a result. Briefly they set up that they cannot be certain of the title to any property on which they are asked to lend money, nor can the purchaser of any property be sure of the title. This is due to the fact that, though ownership passes, the vendor, if he be an income tax delinquent, leaves this burden against the land. Worse than that, if part of the tax has been paid and then the property sold and Ottawa discovers a discrepency and sends out a new bill, that will stand against the property even though ownership has passed. Incidentally the property is a lien for any penalties that may be imposed. It has been suggested that a certificate that no income tax arrears are against a property might be secured from Ottawa. E. T. Malone, K.C. for the Dominion Mortgage and Investment Society, points out the troubles to get a certificate such as can be secured from any municipality would be many. The time lost would wreck many deals and practically wreck the present system of putting through mortgage loans. Mr. Malone would have any certificate issued binding on the taxpayer as to the correctness of his return. He has no hopes that under the act a certification could be secured that would be binding on the government that all the taxes were paid. There is also the possible cumulative effect of years. A property may change hands many times. It may be certain that the new owner paid his tax but not the previous owners subsequent to April, 1925.

Difficulties will be encountered in foreclosure. The Dominion government may have successive liens as against successive owners; with certificates it would be necessary to get one against all owners from the date of the act. It is pointed out that if it desired the government could force a lender to go to the Exchequer Court to clear up a title.

Mr. Malone said that the sales tax measure was somewhat the same but, according to a decision given lately, may be only against the equity of redemption.

Great West Life Had Substantial Increases

The Great West Life Assurance Company has closed another year of substantial growth according to the annual statement just issued. Increases were recorded in new business issued, business in force, income, surplus earned and assets. New business issued totalled $66,302,285, an increase over 1922 of $10,185,610. Business in force stands at $351,402,105, a gain of $35,280,169. Income for the year amounted to $14,866,029, an advance of $2,063,664 over 1922. Assets are given at $56,235,142, up $7,036,887 from the previous year. A surplus of $2,843,600 was earned, and this was a gain of $169,915. There was an increase of $768,719 in the provision made for future profits to policy holders, and the unassigned profits and contingency reserve was up $185,886 from a year ago.

Vegreville Tax Arrears Were Cut Down in 1923

According to the annual statement of the town of Vegreville, Alberta, the outstanding debentures are $180,290, and the sinking fund is now $38,311. The total revenue for 1923 was $48,577, and the expenditures $43,060, including $13,476 for debenture redemption, and $5,113 operating deficit on the waterworks system.

Collection of arrears of taxes showed a marked improvement from 35 per cent. in 1922 to 65 per cent. in 1923, but the current tax collections decreased from 73 per cent. in 1922 to 71 per cent. in 1923.

An Investment Suggestion

For your consideration we can offer a well-selected diversified list of six conservative bonds in $500 denominations, one coupon maturing each month. The total cost of the $3,000 par value to be $2,958.75, yearly interest $195.

Particulars gladly furnished

NESBITT, THOMSON & COMPANY
LIMITED
305-7 Bank of Hamilton Bldg., TORONTO
Montreal Hamilton London, Ont. Winnipeg
207

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
Toronto 364 University Street New York
Royal Bank Bldg. Montreal Equitable Bldg.

Atlantic Sugar Refineries
LIMITED
General Offices:
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

New Issue

$2,000,000

Province of Alberta

5% Gold Bonds

Dated February 15th, 1924 Due February 15th, 1940

Principal and half-yearly interest (15th February and 15th August) payable in gold at the Imperial Bank of Canada, Toronto, Montreal, Winnipeg, or Edmonton, at the holder's option.

Registerable as to principal.

Denominations: $1,000 and $500.

Legal Opinion: E. G. Long, K.C.

The proceeds of this issue will be used to refund maturing Alberta University bonds.

Alberta is most widely known as a leading agricultural province, the value of such products in 1923 having been officially estimated at more than $225,000,000. The Province is also important in other branches of natural wealth; for example, it contains vast coal areas, estimated at 80% of the total for Canada and 14% of the world total. Alberta is also rapidly developing in industrial importance, the annual value of its manufactured products being approximately $100,000,000.

Price: 96.79 and Interest, Yielding 5.30%

Telephone or telegraph your order and bonds will be delivered to your bank, with draft attached, without additional expense to you.

Wood, Gundy & Co. A. E. Ames & Co.
Dominion Securities Corporation
Limited

The statements contained in this advertisement are not guaranteed but are from official sources which we believe to be reliable. This offering is made subject to prior sale and change in price.

ACTION

If there is one thing more than another that contributes to great economy on a building operation, it is ACTION, and if there is one contractor in the world who can give it to you, it is the Thompson-Starrett Company.

THOMPSON-STARRETT
Company, Limited
Building Construction

HOWARD SMITH

8% Cumulative Preferred

This preferred stock, which participates with the common up to 10 per cent., returns at present price about 8 per cent.

Net tangible assets available for the preferred stock are equal to $368 per share.

In the years 1920 to 1922 inclusive, net earnings available for that purpose were equal to four times the preferred dividend.

The figures for 1923 are not yet available, but the Company is understood to have had a prosperous year.

From the standpoint of security and high return, we consider Howard Smith preferred to be one of the most attractive purchases at the present time among the preferred issues listed on the Montreal Stock Exchange.

Special circular sent on application.

McCUAIG BROS. & CO.
MEMBERS
MONTREAL STOCK EXCHANGE
83 Notre Dame St. West,
MONTREAL.

CANADAN NATIONAL RAILWAY BONDS

FULLY REGISTERED DEBENTURES, maturing May 6th, 1930, at a price to return an increase in capital of

OVER 13% SIMPLE INTEREST

Per Annum for Six Years

SECURED by a mortgage on property owned and operated by the GOVERNMENT OF THE DOMINION OF CANADA.

THE profit on this investment is accumulative until May 6th, 1930, and as such is NOT SUBJECT TO INCOME TAX.

Write for Particulars

G. A. STIMSON & CO.
LIMITED
36-38 King St. E., Toronto
Established 36 years.

THIS BOND *Yields....* 8%

The issue is a First Mortgage on property and real estate valued at $1,799,000. This is equal to over seven times the amount of the issue. Earnings are at the rate of four times total interest charges. The security, therefore, is ample. In addition, the Principal, the Interest and the annual Sinking Fund are guaranteed. Payable in New York and Montreal.

Why not obtain full particulars to-day?

CREDIT-CANADA
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KING & YONGE ST., TORONTO

MONTREAL COTTONS PROFITS HOLD UP DESPITE MARKETS

New Waste Plant Installed During the Past Year

From Our Own Correspondent.

MONTREAL.—Little change in the earnings figures of Montreal Cottons is noted in the annual statement. This showing must be regarded as creditable, for, as the president, Sir Charles B. Gordon, pointed out to the shareholders at their annual meeting this week, the company has been under great difficulties, due to the high prices for raw cotton. The company has also felt, it is understood, the effect of competition from abroad in textiles, due to the recent cuts in the tariff on goods imported from Great Britain.

In addressing the shareholders, Sir Charles said:

"The operating conditions that have prevailed throughout the past year were such that satisfactory results were obtained under very great difficulties. Not the least of these was the third successive cotton crop failure. During the months of June and July the acreage planted and condition indicated, according to government estimates, a crop of, approximately, thirteen million bales, but, owing to unfavorable weather throughout the growing and harvesting period, boll weevil depredations and numerous causes, the crop outturn will be but slightly in excess of ten million bales, and the staple and quality extremely unsatisfactory.

"Your property, machinery and plant account has been increased by the sum of $340,285.54. This amount represents the additions which have been made by installing a new waste plant and other machinery."

Earnings Up Slightly

The profit and loss account showed an increase of about a thousand dollars in earnings, and the figures for three years past compare as follows:

Account	1923	1922	1921
Man. prof.	$405,114	$412,996	$381,104
Other income	130,438	121,447	99,614
Total earn.	$535,552	$534,443	$480,718
Bond interest	30,003	30,143	30,460
Balance	$505,549	$504,300	$450,258
Other charges	52,708	50,889	22,131
Balance	$452,841	$453,411	$428,127
Dividends	390,000	390,000	390,000
	$ 62,841	$ 63,411	$ 38,127

Working capital showed a small decline and stands at $3,131,481, as against $3,428,786.

The report covers the year ending December 31.

BUSINESS DEMANDS TAXATION RELIEF

Declares Sir Edmund Walker—A. D. Langmuir on the Mortgage Situation

A review of conditions affecting mortgage loans, particularly in Ontario, was given at the annual meeting of the shareholders of the Toronto General Trusts Corporation by the general manager, A. D. Langmuir.

Since the corporation has confined its operations to Ontario as far as mortgages are concerned for the investment of funds derived from estates originating in this province, he declared that the beneficiaries of these estates have been in no way affected by such conditions as exist in the Western provinces. The situation in regard to Western mortgages is not so satisfactory as in the East, according to Mr. Langmuir, and he added that this condition applies more or less to all companies that have been loaning in the prairie provinces. It is still too early, he said, to judge of the extent to which current interest and arrears will be liquidated from this year's crop. The returns compare favorably with last year's receipts, and he expressed confidence that substantially increased payment will be made during the first six months of this year, as compared with the corresponding months of 1922.

"Until the Western farmers' position has come back to a more normal condition, and an increase in tide of immigration has set in which will produce again in these provinces a demand for farm properties, the fullest and most ample provision will be made to meet any deflation in values," said Mr. Langmuir.

Sir Edmund Walker, the newly-elected president of the corporation in reviewing the situation, referred to the upset in agricultural conditions because of the European situation. He urged that taxation must be adjusted to give incentive to business enterprise.

Textile Mills Are On Short Schedules

From Our Own Correspondent.

MONTREAL.—Textile mills are still running on light schedules. The high price of raw cotton is at present the important factor in keeping down the volume of business. Retailers and wholesalers are buying practically from hand to mouth, fearing lower prices for textiles if raw cotton prices should slump from present peak levels. As a result, orders for the various mills are not in as large volume as a year ago.

The difficult situation which manufacturers and dealers are placed may be seen from the fact that raw cotton for February delivery is now priced at about 33 cents per pound, while contracts for delivery next October, when the new crop will be available, may be made at about 5 cents per pound lower. This means that nobody will want to carry either raw cotton or cotton goods into the new crop year, and all will operate cautiously. Much will depend upon the prospect for the crop as the season develops.

MOUNT ROYAL HOTEL STATEMENT SHORTLY

Earned About Five Per Cent. Towards Preferred in Year 1923

From Our Own Correspondent.

MONTREAL.—Work is now going ahead on the annual statement of the Mount Royal Hotel, which will cover the first full year of operation, and it will be in the hands of shareholders shortly. It is understood that the statement will show that about 5 per cent. was earned toward payment of the 8 per cent. preferred dividends. This is considered by directors of the hotel to be a remarkably good showing for the first year of a hotel. It is noted as significant that the hotel bettered its January, 1923, earnings by about $30,000 in January of the present year.

There has been some improvement in street trading prices for Mount Royal Hotel preferred stock and while the shares could have been bought for around 57 a few weeks ago, prices are closer to 65 to-day. Information received from reliable sources seems to indicate that the recent low prices at which the preferred stock has been selling have not been due to lack of confidence on the part of shareholders. It is said that a crew of high-pressure stock salesmen from the United States visited a great many of the Mount Royal Hotel shareholders, inducing them to exchange their shares for stock in the United Hotels Company, worth somewhere around $25 a share. The Mount! Royal stock, so the story goes, was then dumped on the Canadian market and so depressed prices that the low levels mentioned were reached.

Much of the criticism of the hotel and its securities is aimed at the high capitalization. Together the first mortgage bonds and preferred shares total $11,000,000 and require annual interest charges of over $800,000. But in this connection it is pointed out that the Mount Royal is not only a hotel but a large commercial enterprise. About $4,000,000 of the cost represents the forty offices and twenty-one stores on the property which will provide, when fully rented, sufficient income to pay the interest on the first mortgage bonds totaling that amount.

One of the directors states that steps will be taken within a few weeks for the listing of the stock. While hoping for an early listing, there are many in Montreal who doubt if any steps will actually be taken along this line until the stock recovers in unlisted trading some of the ground that it has lost since it was first issued. Directors speak optimistically upon another point, that of dividend prospects, and are fairly definite in their assurances of dividends by the middle of 1924. Perhaps with further improvement in earnings such action could be justified by current profits but a policy of caution may hold sway until the hotel's actual earning power has been more definitely established.

Brokers' Loans Increase But Little On Rise

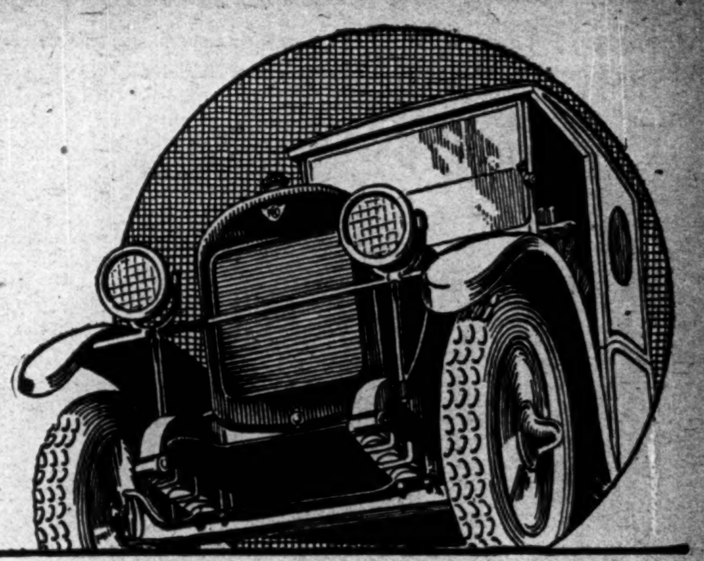
NEW YORK.—Despite the advance in the stock market in the past month there has been but a slight increase in brokers' loans.

Brokers' money borrowings now are approximately $1.400.000 000. This compares with $1.335 000 000 at the end of 1922 and $1.325.000.000 in October, 1923. The latter figure was the lowest level since April, 1922.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING FEBRUARY 5

	Div. Rate	Yield Feb. 4	High For week	Low For week	Close Feb. 5	Close Jan. 29	Sales For week	Range High	1924 Low
Banks—									
Commerce (New)	....	....	184	183	183	186	52	186	183
Commerce	12+1	7.02	186	184½	185	186	205	186	183
Dominion	12+1	6.98	186	186	186	185½	131	186	181
Hochelaga	10	6.66	150	150	150	150	10	150½	143½
Imperial	12	6.85	175½	175	175½	175	83	179	173
Molsons	12	7.82	155	153½	155	153	7	159½	153
Montreal	12+2	5.84	248	239	241	244	189	248	239
Nova Scotia	16	6.34	252	251½	252	251½	43	252	248
Royal	12+2	6.49	215½	214½	215½	214	136	215½	211
Standard	12	7.25	165½	165½	165½	165½	130	168	165
Toronto	12	6.74	179	178	179	177	34	179	175½
Union	8	7.44	109	107	109	107	18	109	105
Paper—									
Abitibi, com. (no par value)	4	5.93	69	66½	66½	67	7118	69	62½
Abitibi, pref.	7	7.00	100	100	100	..	15	100	100
Brompton Pulp (no par value)	....	....	42	39½	40	40½	5515	42½	39
Laurentide	6	6.31	96½	93½	94	93½	4464	98½	89½
Price Bros.	2	4.44	45	44	45	44½	986	45	40½
Prov. Paper, com.	6	6.97	87	86	86½	90	220	90	86
Smith, Howard, com.	6	8.27	73	66	73	65½	1748	73	62½
Smith, Howard, pref.	8	8.00	100	99½	100	99½	375	100	99½
Spanish River, com.	7	6.25	113½	107½	112½	108	15764	113½	99½
Spanish River, pref.	7	6.02	118½	112½	117½	113	7912	118½	105½
St. Maurice Paper	6+5	10.27	107½	106	107	108	535	113½	105
St. Maurice Paper, Rts.	....	....	2	1½	1½	2	1339	2	1
Wayagamack	....	....	43	43	43	43	80	46	43
Steel and Steel Industries—									
B.E. Steel, com.	....	....	5	4	4½	4½	60	5	3½
B.E. Steel, 1st pref.	7	12.96	54	53	54	53	3.20	56½	53
B.E. Steel, 2nd pref.	....	....	15½	13	15½	13	540	16	13
Can. Car and Foundry, com.	....	....	42	40½	41½	41½	815	43	36½
Can. Car and Foundry, pref.	7	7.86	89½	88½	88½	89	701	89½	84½
Can. Foundries, com.	....	....	25	25	25	20	25	25	19½
Can. Locomotive, pref.	7	7.91	88½	88½	88½	86½	25	88½	85
Dominion Coal	7	8.86	79	79	79	79½	10	81	79
Dominion Iron, pref.	7	12.96	54	53	53	54	40	56	53
Dominion Bridge	4	5.03	80	71	79½	72	2690	80	65
Dom. Steel Corp., pref.	6	8.21	73	72½	73	72½	57	73	71½
Ontario Steel, pref.	7	7.77	90	90	90	91	50	91	90
Steel of Canada, com.	7	8.80	79½	78	79	77	5774	79½	75
Steel of Canada, pref.	7	6.86	102½	101	102½	102	337	102½	100
Milling—									
Canada Bread, com.	....	....	74	73	73	73½	75	74½	66
Canada Bread, pref.	7	7.17	97½	97	97½	97	138	97½	95
Lake of Woods, com.	12	6.77	177	177	177	177	39	177	167
Lake of Woods, pref.	7	5.93	118	117½	118	118	10	118	117½
Maple Leaf, com.	....	....	67	66½	66½	66	140	67	60
Maple Leaf, pref.	7	7.36	95½	87	93	91	108	95½	87
St. Law. Flour, com.	6	8.33	72	71½	71½	72½	335	73	68½
West. Can. Flour	8	8.00	100	100	100	102	45	105	100
Utilities—									
Bell Telephone—Rights	....	....	5	4½	4½	4½	5955	5	3½
Bell Telephone	8	6.21	130	125	128	130	995	130½	125
Consumers' Gas	10	6.06	165	163½	163½	165	24	165	159½
Kaministiquia	8	7.33	109	109	109	112½	15	113½	109
Mackay, com.	7	5.85	120½	118½	118½	116	2107	120½	110½
Mackay, pref.	4	5.63	71	68½	71	68½	200	71	66
Montreal L. H. & Pr. Cons.	7	4.34	158	154	157	155½	17522	158	140½
Montreal Telegraph	8	7.69	52	51	52	52	45	52½	51
Ottawa L. H. & Pr.	6	7.05	85	85	85	85	12	85	81
Quebec Power, com.	....	....	72½	71½	72	72	223	72½	65½
Quebec Power, pref.	7	7.77	90	90	90	90	59	91	90
Shawinigan	7	5.18	135	132½	133	132	5114	135	118½
Southern Can. Power, com. (no par value)	$1.00	....	54	52	53½	..	2047	54	52
Transportation—									
Canadian Pacific Railway	10	6.49	154	152½	153½	153	174	155	149½
Canada Steamships, com.	....	....	13	12	12	13	215	14½	12
Canada Steamships, pref.	....	....	44	42½	42½	43½	731	46	42
Tractions—									
Barcelona	....	....	15	15	15	14½	50	16	14
Brazilian	4	8.24	49	45½	48½	46½	16117	49	41½
Detroit Un. Rly.	6	8.69	70½	69	69	71½	480	72½	69
Illinois Traction, com.	$12.00	2.84	67½	65	67½	65½	308	67½	60
Illinois Traction, pref.	6	6.82	90	88½	90	91	10	91½	87
Montreal Trams	10	6.34	157½	156	157½	156	75	159	154
Porto Rico Rlys, com.	....	....	25	24	24	25	51	25	18
Porto Rico Rlys, pref.	7	10.07	69½	68	68	69½	10	69½	66
Toronto Railway	....	....	81½	80	81	81	867	83½	80
Twin City, com.	6	9.09	66½	63½	66½	63½	1197	69	63½
Winnipeg Elec., com.	....	....	29	28½	29	28½	220	30	28
Winnipeg Elec., pref.	7	8.33	84½	83½	84½	84½	16	85	83½
Textiles—									
Can. Conn. Cotton, pref.	8	10.00	80	79	79	79½	45	80	79
Can. Converters	7	8.13	86½	86½	86½	88	20	90	82
Can. Cottons, com.	8	7.65	104½	100	100	107	25	111	100
Can. Cottons, pref.	6	6.66	90	90	90	89½	2	91	89
Dom. Textile, com.	$4.00	6.34	63	62	63	63	313	66	62
Dom. Textile, pref.	7	6.51	107½	107	107	107½	10	109½	106½
Penmans, com.	8	4.96	161½	160	160	161	715	164½	150
Wabasso Cotton	$4.00	5.55	72	70	72	70	26	72	66
General Industrials—									
American Salesbook, com.	$4.00	8.68	47	45	45	46	270	47	44½
American Salesbook, pref.	7	7.56	93	92	92½	92	47	93	91
Asbestos, com.	....	....	28	28	28	29	5	33½	25½
Asbestos, pref.	6	10.00	60	59½	60	60	60	62	57
Atlantic Sugar, com.	....	....	21½	20	21½	20	550	21½	16
Atlantic Sugar, pref.	....	....	49	43½	48½	43	1415	49	39
Bird & Son, pref.	7	7.86	89	88½	88½	89	15	89	88½
B. C. Fishing	....	....	15	15	15	....	25	15	15
Burt, F. N., com.	10	7.35	137½	136	136	137½	47	137½	134
Canada Cement, com.	6	6.89	87	86½	87	86	569	87	84½
Canada Cement, pref.	7	6.79	104	102½	104	104½	148	105	102½
Can. Gen. Electric, com.	6	5.17	117	116	116	117	47	117	115
City Dairy, com.	10	5.81	180	170	180	170	101	180	163
City Dairy, pref.	7	6.66	105	104½	105	105	54	105	104
Crows Nest Coal	6	11.53	51½	50	51½	50	35	51½	48
Cuban Can. Sugar, com.	....	....	13	8	13	8½	1132	13	6
Cuban Can. Sugar, pref.	....	....	54	41	53	41	1080	54	33½
Dom. Canners, com.	....	....	35½	32	35	31	1295	35½	20½
Dom. Canners, pref.	7	8.13	86½	86½	86½	90	10	90	82
Dominion Glass, com.	7	6.42	110	105	109	104½	2804	110	102½
Dominion Glass, pref.	7	6.54	107	105	105	104	28	107	104
Dominion Stores, com.	$1.00	....	28½	28½	28½	29	44	29	26½
Dominion Stores, pref. (a)	8	9.30	88½	85½	88½	86	72	88½	81
Eastern Theatres, com.	....	....	13	12½	13	12½	104	13	12
Goodyear Tire, pref.	7	8.80	79½	79	79½	79	31	81½	79
Holt, Renfrew, pref.	....	....	52	52	52	..	10	52	52
Lyall Construction	....	....	14	13	14	14	35	16	13
Macdonald, A.	....	....	5	5	5	5	85	5	4½
National Breweries, com.	$4.00	7.27	55½	54½	54½	55½	1470	56	53½
Dominion Breweries, pref.	7	7.29	95½	95½	95½	95½	50	95½	95
Pacific Burt, com.	6	6.12	99½	98	99½	98	60	100	98
Pacific Burt, pref.	7	6.66	105½	105	105	105½	47	106	102
Rogers, Wm. A., com.	....	....	65	62	62	62	70	70	45
Rogers, Wm. A., pref.	7	7.36	95	94½	95	92½	25	95	86
Russell Motor, pref.	7	14.00	50	50	50	48	30	50	48
Sterling Coal	4	9.30	43	42½	43	42½	260	43	41
Sherwin-Williams, pref.	7	6.86	102	102	102	102	35	102½	102
Tuckett Tobacco, com.	4	6.25	64½	59	64	59	1205	64½	57
Tuckett Tobacco, pref.	7	7.36	95	95	95	95	132	95	92½
Woods Manufacturing, com.	....	....	30	30	30	29	87	30	29
Woods Manufacturing, pref.	7	10.44	67	6	67	67	10	67	67
Trust and Loan—									
Canada Landed	10+1	6.43	86	85½	85½	86	37	86	85
Can. Permanent	12	6.52	184	183½	184	185½	72	185½	182
Huron and Erie	7	5.78	121	121	121	120	11	121	120
Toronto Gen. Trusts	12	5.81	206½	206½	206½	205	5	206½	202



Speed Wagon dominance in city delivery, highway haulage and farm service is decisive indication of the *survival of the fittest.*

Nearly 100,000 have been put to work in practically every business where hauling is a factor, simply because the Speed Wagon *will out-economize* any other motor truck regardless of size or price.

Capacity, 500 to 2500 pounds

"Reo dealers everywhere will tell you more about them or we will mail catalogue on request."

Reo Motor Car Company of Canada Ltd.
Windsor, Ontario

SPEED WAGON
REO

Dominion Life Surplus Earnings Broke Record

That the past year was one of great progress for the Dominion Life Assurance Company is evident from the thirty-fifth annual report presented at the annual meeting in Waterloo this week.

Business issued during the year amounted to $13,903,185, and the total insurance in force at the close of the year stood at $65,796,389. The premium income amounted to $2,091,582, an increase of $211,357 over that of the previous year. Very satisfactory interest collections were reported, the total amount collected in 1923 amounting to $554,669, or $100,700 more than the collections of 1922. The rate of interest earned during 1923 was 7.09 per cent. The investments of the company are in an enviable position, and consist for the most part of gilt-edged mortgages, and government and municipal debentures.

The mortality during the year was only 33 per cent. of the expected, indicating a careful selection of risks. The surplus earnings for the year were $473,143, which constitutes a new high record.

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain, com.	97	101
Alta. Pac. Grain, pref.	87	90
Collingwood Ship, com.	45	55
Can. Machinery, pref.	23	27
Can. Mortgage & Inv.	64	..
Can. Oil, com.	39	42½
Can. Oil, 8%, pref.	91	93
Can. Westinghouse	132	135
Capital Life, 20%, pref.	24	28
Cockshutt Plow, 7%, pref.	42	43
Continental Life	25	30
Cosgraves Breweries	..	3½
Commercial Finance, pref.	60	..
Crown Life	98	..
Dom. Power, pref.	97	99
Dom. Power, com.	40	..
Dom. Sewer Pipe, com.	24	30
Dunlop Tire, 7%, pref.	78	82
Durant Motors	7	..
English Elec., com.	9	10½
English Elec., pref.	52	54
Excelsior Life, 26%, pref.	32	..
Famous Players, 50%, com.	71	75
Farmers Dairy	60	..
Great West Life	220	..
Gunns, Ltd., 7%, pref.	36	39
Hamilton Pantages, com.	3	..
Hamilton Pantages, pref.	43	..
Imperial Tobacco, com.	5	7
Int. Milling, pref.	..	95
K. & S. Tire, pref.	22	25
K. & S. Tire, com.	50	1.00
Canada Starch, pref.	..	54
La Paz Oil	10	15
Lambton Golf Club	425	475
Loew's Buffalo, pref.	51	54
Loew's Buffalo, com.	1	1½
Loew's Hamilton, pref.	42	..
Loew's London, pref.	6	7
Loew's London, com.	3½	4
Loew's Ottawa, pref.	20	24
Loew's Toronto, pref.	68	72
Loew's Toronto, com.	40	45
Manitoba Power, com.	19	21
Marconi Wireless	60	90
Massey-Harris	32	35
Manufacturers Life	55	58½
Mercantile Trust	100	..
Mtge. Disc. & Fin.	7	10
Monarch Life, 10%, pref.	11	13
Neilson, Wm., pref.	95	..
National Brick, pref.	55	59
National Brick, com.	12	15
North Mex. Power, com.	..	8
Ont. Equitable Life	18	22
Robt. Simpson 6%, pref.	88	90
Robertson, P. L.	15	25
Sterling Bank	88½	91
Sun Life, 50%, pref.	173	..
Sun Life, 35%, pref.	130	..
Toronto Brick, com.	28	..
Toronto Brick, pref.	75	..
Toronto Carpet, com.	99	..
Trusts and Guarantee	69	72
Western Assurance	7	7½
Western Groceries, pref.	32	34

CITY DAIRY MADE OVER 41 PER CENT. ON ITS COMMON

Report Supplies Reason For Strength of Stock

HEAVY WRITING OFF

Organization Cost Carried as Asset of Nearly $450,000 Written Down to $1—A Record of Expansion

The expanding business of that well-managed public service concern, the City Dairy Company, is again reflected in the annual report for 1923, with net profits of $225,477 compared with $200,747 in 1922 and $163,779 in 1921. With $56,383 from investments and a balance forward of $421,586, the company had available for distribution a total of $703,446. After the payment of preferred and common dividends the directors took advantage of the large surplus to write down the organization account carried on the books at $448,633 to the nominal sum of $1, still leaving the very substantial balance of $149,313. Following are comparative figures from the profit and loss account:

	1923	1922	1921
Net profit ..	$225,477	$200,747	$163,779
Inc. frm. inv.	56,383	24,691	22,201
Bal. forward	421,586	301,648	228,168
	$703,446	$527,086	$407,148
Pref. div. ..	49,000	49,000	49,000
Com. div. ..	56,500	56,500	56,500
Wrtn. down	448,633	......	......
Balance . ..	149,313	421,586	301,648
	$703,446	$527,086	$407,148

The market for the company's stock has during the year reflected this prosperity, the price of the common advancing within the year from 148 to 180. In this connection it may be pointed out that the net income, after providing for preferred dividends, amounted to $232,860 or at the rate of 41 per cent. on the common stock. In 1922 the showing was 31 per cent. and in 1921 24.24 per cent. According to the president, W. J. Northgrave, the sales for 1923 exceeded those of any previous year in the company's history. The company's plant at Simcoe is manufacturing surplus milk into condensed milk. An additional milk powder unit is being added at Simcoe which will be completed early in the year so that the surplus milk can be marketed either as condensed milk or dried milk. A new receiving plant has been constructed at Straffordville. In addition the company is now operating plants at Woodstock, Listowel, Embro and Courtland. In 1916 the only outside plant which the company had was at Woodstock. The company's main plant has been extended by a new four-storey building 150 by 90 on Bancroft Avenue; this is already fully occupied. The company operates an important farm at New Lowell where certified milk is produced under the supervision of the Department of Health, Toronto. The establishment of these subsidiary units has enabled the company to stabilize the milk and cream supply and produce a diversified line of dairy products, thus increasing the earning power of the business.

The Balance Sheet

Cash on hand stands at $53,232, compared with $28,362 a year ago, while accounts receivable also are higher at $91,791, against $83,144 last year. Inventory, supplies and dairy products amount to $62,420, against $59,476. Government bonds held by the company are valued at $352,958, compared with $203,875 last year. Shares of subsidiary companies and other securities, real estate, buildings, plant and equipment and good-will are carried at $1,322,437, against $1,751,287, good-will this year being written down to $1. Accounts payable are $361,024, against $330,007, and reserve $48,000, unchanged from previous year.

Anglo-American Motors Again Offering Stock

From Our Own Correspondent.

MONTREAL. — Anglo-American Motors, which started off in a blaze of glory in Toronto a couple of years ago and retired quickly from the investment scene when the public refused to wax enthusiastic over the stock-selling campaign that was staged, has come to life again in Montreal. F. Richard, the French engineer, who designed the company's car, has opened an office in Montreal and is offering $100,000 of 8 per cent. preferred stock with a bonus of 100 per cent. of common stock. The company states that it has started work on a factory at Laprairie.

In Toronto the company made a great fuss about its new car, that was to revolutionize the motor business. There it was called the "La Marne," and attracted great crowds to an exhibit at the Canadian National Fair. Down here the car is described as the "Ambassador."

The prospectus seems to offer a shift all around in the directorate. The present directors are given as Frederick B. Brown, consulting engineer; F. Richard, J. P. Montpetit, carriage manufacturer, and J. A. Bossonneault, advocate, all of Montreal; and Dr. J. M. Longtin, of Laprairie.

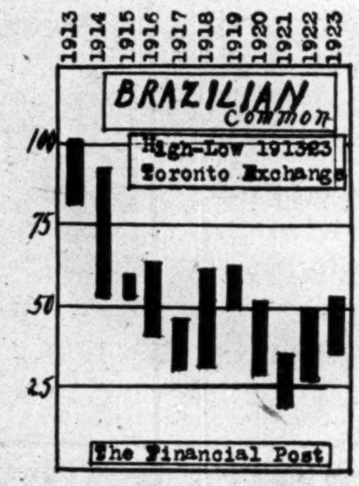
EX-PREMIER HEADS COMPANY

E. C. Drury, former premier of Ontario is president of "Dependable Securities," a new real estate, investment and mortgage house of Toronto. Aubrey E. Ireland, Toronto is vice-president, D. H. Walkinshaw, Toronto, secretary-treasurer. Directors, James Dixon, Hamilton, Hon. Manning Doherty, Dr. Angus Campbell, T. H. Jones, Dr. P. G. Ward and Arthur W. Roebuck, all of Toronto.

Brazilian Traction a Big Canadian Project Far Afield

Speculative Aspect Has Been Greatly Increased by the Uncertainty Regarding the Value of Brazilian Currency— Business Steadily Expanding

Outstanding as a monument to Canadian enterprise and Canadian capital in a foreign field is the group of public utility projects in South America, comprising the Brazilian Traction, Light, Heat and Power Co. But there are those who saw in the activities of Sir William and his group of associates in South America and in other countries, developments made possible with the aid of Canadian capital which should have properly belonged to our own land of opportunities. In its very nature this South American enterprise appealed to the speculative imagination and Brazilian was from its listing popular with stock exchange traders. But it remained for the great war, with its world wide effect upon conditions, both physical and financial, to put the stock over a wide range of prices. From its high record of 101 at the first of 1913, a few months after it was first listed, the stock slowly declined until the war crisis, when it was around 75 After the wartime period of suspension on the stock exchanges it opened 53 to 57 and then entered a period of years of broad fluctuations from a high of 60 in 1918 and 1919 to a low of 19¾ in 1921.



Effects of the War

Although the business of the various utilities forming Brazilian Traction continued to expand during the war period, there were complicated problems affecting the return to the shareholders of both a physical and financial character. The first concerned the costs of fuel and other factors affecting operating charges, which reduced net revenue, and the second the adverse exchange rates, which drastically cut the returns to the shareholders in Canadian dollars.

In the report for the year 1920 the president, Alexander MacKenzie, points our that not only are gross revenues affected by the value of the milreis, because of exchanges being payable partly in gold and partly in currency, largely the latter, but Brazilian currency when changed into Canadian currency "has been appreciably affected by the abrupt fall in exchange which took place during the last half of the year, when the average rate was nearly 60 per cent. below that for the first half," and a year later he observed that while "the results of the year's operations in Brazilian currency, both in gross and net earnings, greatly exceeded those of any previous year, owing to the great depreciation in the value of the milreis, the, gold earnings were very much below those of the previous year." In 1922 there was improvement in the situation, but still, in the opinion of the president, the results in Canadian currency were still disappointingly small in relation to gross earnings. For the present and for the future the question of exchange promises to continue as an important factor in the relationship of dividends and earnings of the company.

An Interesting History

The Brazilian Traction, Light, Heat and Power Company was incorporated in 1912, acquiring through exchange of stocks over 99 per cent. of each of the capital stocks of the Rio de Janeiro Tramway, Light and Power Company, Limited, and the Sao Paulo Tramway, Light and Power Company, Limited, and the entire capital stock of the Sao Paulo Electric Company, Limited, also control of the capital stock of the Rio de Janeiro and Sao Paulo Telephone Company. The company also owns the entire share capital of the Brazilian Hydro Electric Co., Limited. Through these controlled operating subsidiaries Brazilian Traction does the street railway, electric light and power, gas and telephone business in the cities of Rio de Janeiro and Sao Paulo and the adjacent territory, serving a population estimated at approximately 2,000,000. All the companies operate practically without opposition and under concessions which are mainly exclusive and for long periods; franchises fix maximum rates, which are subject to revision only at stated intervals.

Under the plan of exchange two and three quarter shares of Traction Company stock were given in exchange for each share of Sao Paulo Tram.; one and three-fifth shares for each share of Rio Tram. and one share for each share of Sao Paulo Electric. On this basis the distribution of ordinary share capital was as follows:

For Rio de Janeiro Tramway	$72,000,000
For Sao Paulo Tramway	27,500,000
For Sao Paulo Electric	5,000,000
	104,500,000

The company has no bonded debt, but in addition to $106,576,000 ordinary stock, distributed largely as above, has $10,000,000 of 6 per cent. cumulative preference stock. Mortgage or debenture bonds cannot be issued without the consent of two-thirds of the preference stock. Dividends have been paid regularly on the preference stock since July, 1913. Quarterly dividends of 1½ per cent were paid on the common from Nov., 1912, to June, 1915; Sept. and Dec., 1915, ½ per cent.; four quarterly payments of 1 per cent. in 1916; none thereafter until Sept., when payments of 1 per cent. quarterly were resumed.

The two principal constituent enterprises of Brazilian, the Rio and the Sao Paulo companies, were both essentially of Canadian origin, having been founded respectively for the purpose of electrifying the horse tramway systems and furnishing electric lighting and power in Rio de Janeiro and Sao Paulo. Prior to the merger Sao Paulo was on a 10 per cent. basis, while 5 per cent. was paid on Rio.

Telephone Co. is to Undergo Reorganization

Canadian Independent Telephone Co. will go out of the radio business. A reorganization is under way. The radio business, which the concern went into extensively, proved unprofitable. Its principal line, the manufacture and selling of equipment for rural telephone systems, has been successful. It also holds some valuable automative telephone patents for systems such as have been established at Brantford and Peterboro.

Brantford Finance Has Doubled Its Profits

The ninth quarterly dividend cheque of Brantford Finance Corp. was accompanied by a statement showing the growth of the concern since its inception two and a half years ago. The 7 per cent. dividend on the preferred is paid to date.

The position of the concern Dec. 31, 1923, as compared with 1922, is shown below:

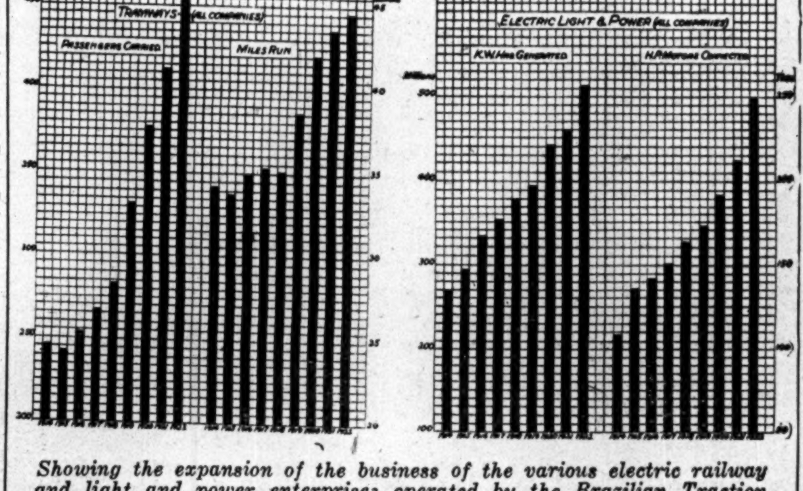
	Dec., 1922	Dec., 1923
Mortgages, etc.	55,672	111,071
Discount profits	10,093	25,433
Dividends paid	2,942	9,385
Surp. and def. profits	7,150	16,048

RECORD OF EARNINGS AND PROFITS

	Gross Earn. milreis	Net Earn. milreis	Net Earn. in dollars	Revenues of Parent Co.	Net Revenue
1916	84,942,232	46,526,196	$11,052,450	$6,019,473	$5,674,642
1917	92,200,309	47,072,968	11,693,988	6,203,698	5,266,518
1918	101,894,163	52,131,535	13,230,223	6,252,463	5,419,672
1919	113,073,982	58,423,485	15,655,477	8,877,005	7,873,967
1920	134,905,832	69,990,657	14,286,039	7,243,443	5,995,123
1921	170,867,353	95,105,553	11,898,523	4,537,714	3,237,681
1922	197,749,105	124,505,563	16,299,229	7,872,961	6,851,968

Earlier years: Revenues of Parent Co. 1913 (eighteen months.) $11,522,836; 1914, $8,058,812; 1915, $5,612,876.

Growth of Services



Showing the expansion of the business of the various electric railway and light and power enterprises operated by the Brazilian Traction Company.

Big Year's Gain

	1922	1923
Insurance Issued....	$ 9,528,850.00	$13,840,920.00
Insurance in Force	34,460,044.00	42,175,180.00
Cash Income...........	1,430,823.81	1,699,840.33
Assets	4,789,562.74	5,472,666.94

Lower Expense Rate
Lower Mortality Rate
Higher Interest Rate
Higher Policyholders' Dividends

G. T. SOMERS, President
A. H. S. MARKS, Secretary
Dr. H. T. MACHELL, Medical Director
H. R. STEPHENSON, Gen'l Manager & Actuary
R. T. COUCH, Treasurer
F. W. HILL, Assistant Actuary

CROWN LIFE
INSURANCE COMPANY

1864 Diamond Jubilee Year 1924

$2,900,000 Increase

The dependable "Old Huron & Erie" Mortgage Corporation
and
The Canada Trust Company
(under the control and management of the Huron & Erie)
announce record increases for the past year.

	Total end of 1923	Increase
Huron and Erie Debentures		
Issued in Canada	$11,504,000	$1,423,000
Issued in Gt. Britain	2,226,000	
Savings Deposits	6,116,000	54,000
Guaranteed Mortgage Certificates	3,948,000	1,249,000
Guaranteed Trust Certificates	362,000	215,000
Total Increase in four departments		$2,941,000

	End of 1923	Increase
Assets		
Huron & Erie	$26,822,000	$1,655,000
Canada Trust Company	15,253,000	2,036,000
Reserve Funds		
Huron & Erie	1,650,000	150,000
Canada Trust Company	725,000	25,000

For the SIXTEENTH consecutive year the Huron & Erie *had no real estate on hand —either directly or indirectly*—other than office premises. The few properties which came into its possession during 1923 *were sold outright to individuals who had no connection of any nature* with this institution.

The Securities, Books and Accounts of both institutions are subject to annual inspection by Dominion Government Officials.

The Huron & Erie
MORTGAGE CORPORATION

The CANADA TRUST COMPANY

Branch Offices:
LONDON (FOUR)
CHATHAM
REGINA
TORONTO
WINDSOR
EDMONTON
ST. THOMAS
WINNIPEG
VICTORIA

SARNIA FINANCE CORPORATION

Sarnia Finance Corp. made a net profit of $7,606 in 1923, which added to the balance forward of $96 made $7,702 available for the shareholders. Prefered dividend payments amounted to $6,255 leaving $1,446 of a surplus. Mortgages payable stand at $53,800 while unearned discount totals $22,347.

BUTTER FROM MANITOBA

WINNIPEG.—Over one hundred and eighty carloads, or about 380,000 pounds of creamery butter were shipped out of Manitoba during 1923, according to the provincial dairy commissioner. This was valued at $1,313,169, and was additional to the market requirements of the province.

ALBERTA'S CROP MOVING

CALGARY.—Grain inspections in Calgary from September 1 to December 31, have broken all previous records for the province, 12,500 cars having been inspected by the Government Inspector at Calgary, representing a total of 18,750,000 bushels.

STEEL PLANTS IN WINNIPEG BEING WELL PROTECTED

Activities Indicate That the Prospects for 1924 Are Better.

From Our Own Correspondent.

WINNIPEG.—T. R. Deacon, president of the Manitoba Bridge and Iron Works, president of the Manitoba Steel and Iron Works, and the Manitoba Rolling Mills Company, states that the new business of his companies in January this year was equal to the new business of January and February last year. The company, in which Sir Augustus Nanton is a considerable stock holder, has invested about a million dollars in the rolling mills at Selkirk, which are operating night and day. The plant at that suburb was acquired by the Manitoba Bridge late in the war period when it was impossible to secure any steel here for ordinary commercial purposes. Mr. Deacon states that the prospect is that activity at the Manitoba Bridge will continue through 1924 and into 1925, with the business now in sight. There have been many good inquiries lately. The company is able to meet eastern competition at the head of the lakes, and can meet Belgian and other European and eastern competition as far west as Nelson, B. C. Water borne steel and iron from the east and Europe and from the United States controls the coast market in Canada, and the market for some distance inland.

The building of branch line railways would do much to provide orders for the bridge company during the present year. Construction work was quiet with the transportation companies on the prairies in 1923, but a change is expected this season. There will also be new grain elevators to be erected in 1924, one at least for every eight miles of new track, and quantities of equipment will be needed from the foundries for these buildings.

Vulcan Works Busy

The Vulcan Iron Works, a considerable local industry which is this year celebrating its golden jubilee, fifty years of continuous business, is also operating at full capacity through the winter. Much work is being done in anticipation of orders through the coming summer, and customers have co-operated by ordering goods long in advance. The Vulcan installed a new steel furnace in 1923, and it is in daily use at the present time. L. R. Barrett, vice-president of the company, stated to your representative that they were shipping some carloads of equipment into Saskatchewan this week. Orders to the company have come chiefly from the two Western prairie provinces, the demands from Manitoba being slighter.

The condition in the iron and steel business here, including the important interests of the Dominion Bridge and other companies, indicates that the general trade situation in the West must be improving. There is demand for a great variety of iron and steel materials for the coal companies, including trackage, tipples, coal cleaning and weighing equipment, etc. Pulp companies tributary to Winnipeg, including those at Fort Francis, Kenora, Port Arthur, and Dryden, are building this year, and all will be in the market for equipment from the iron and steel companies. Ordinary building is quiet throughout the West, but there are always some orders for this purpose.

CONTINENTAL PAPER INTERESTED IN CANADA

Important Canadian Holdings of Company Making New $6,000,000 Issue

From Our Own Correspondent.

MONTREAL.—There is considerable Canadian interest in the offering of $6,000.000 of first mortgage bonds of the Continental Paper and Bag Mills Corporation, for this company has important Canadian interests, and a considerable block of the bonds is being sold in Canada by Greenshields and Company.

Continental Paper and Bag Mills is the wrapping and bag paper subsidiary of the International Paper Company. It controls a company in Ottawa that manufactures similar products, as well as paper specialties, and through another subsidiary corporation recently made arrangements with the Ontario government for the construction of a kraft pulp and paper mill in that province. This latter work has been held up for various reasons, and its financing is not included in the present financing. The corporation also has large timber holdings in Canada.

The Continental Company has a total output of over 400 tons of wrapping, bag and tissue paper daily which will be increased to 500 tons with raw material for the entire production. The Canadian mill at Ottawa is one of the largest bag and paper specialty plants in Canada. which owns 65,000 acres of freehold timber lands and timber rights on 1,211 square miles of limits in Ontario.

Extensive additions to the company's production in Canada to serve the company's own mills in the United States are planned.

P. E. I. POTATO PRODUCTION

CHARLOTTETOWN.—Up to the present time 250,000 bushels of certified seed potatoes have been shipped from Prince Edward Island to Virginia and Long Island. Many times this quantity could have been marketed to the same agencies at $1.10 a bushel net. From a recent survey it is estimated that the acreage planted to seed potatoes in 1924 will be from one-third to one-half in excess of that of 1923.

Price War Does Not Hit F. N. Burt Co.

While a price war is raging in the salesbook industry in Canada, this is not expected to interfere with the earnings of F. N. Burt, Ltd. The chief business of F. N. Burt is the manufacture of paper boxes, and the three big Buffalo plants are entirely devoted to box manufacture. In Canada, the Dominion Paper Box subsidiary is the most important unit, and, while merchants' counter check books are manufactured for the Canadian trade by the Burt Company, the total sales of this product represent only about four or five per cent. of the company's total production.

An idea of the extent of the competition in sales books in Canada is given in an advertisement of one of the companies that it has reduced its prices by 66-2/3 per cent., and that prices will be still further reduced.

Pulp and Paper Securities

CANADIAN PAPER OUTPUT IN EXCESS OF LOCAL DEMAND

Mills All Looking For Export Markets For Products

From Our Own Correspondent.

MONTREAL. — Investors can find varied reasons for both optimism and irritation in the reviews of the present situation in the various pulp and paper industrial groups, that were presented by leaders of the industry at the convention of the Canadian Pulp and Paper Association here. It is evident that prosperity in the industry is localized with different conditions in different branches.

In the book and writing paper section, which would include the industry covered by Howard Smith Paper Mills and by Provincial Paper, among the companies that have large shareholders' lists, it was pointed out that the manufacturers find themselves faced with the problem of an excess potential production and the need of new markets. It was added:

"New machines, brought into operation during the year have enlarged our producing capacity to 75,000 tons annually of book, bond and fine papers. This far exceeds the domestic demand and worldwide conditions at present militate against us in the foreign markets. Our difficulties have been further increased by the additional tariff preference accorded the United Kingdom by our Government and which has been taken advantage of, in some instances, by British paper manufacturers to undersell us in our own market.

"Despite these unfavorable circumstances it is gratifying to be able to record that progress has been made during the year both as to production and shipments and that our exports of fine papers also increased in amount as compared with the previous year."

Production for eleven months showed a very slight increase.

Competition From Europe

Competition from Scandinavian mills affected the wrapping paper mills. Their report said:

"There has been a fair run of orders and remarkable steadiness both in regard to prices and volume of orders. Prices were maintained at a satisfactory level until about the beginning of December when competition in kraft paper from Scandinavian mills forced a reduction in the price of kraft wrappings and a consequent reduction in the price of other wrappings. With the present high cost of labor, materials and transportation, little further reduction can be made without the entire elimination of profit."

Similarly with kraft pulp:

"Conditions in the kraft pulp industry have been fairly satisfactory during the year and production has been maintained at close to normal levels. The total output of the mills was a little above that for 1922, although shipments were somewhat smaller than in the previous year.

"Towards the end of the year the situation was not so good as in the earlier months and competition from European countries in the United States market became more severe. . . . The result was a lowering of prices to unsatisfactory levels which together with a falling off in demand had an adverse effect upon the situation. The increased imports of cheap wrapping paper still further affected the kraft pulp market and as a result our exports, all of which have gone to the United States, were below those of 1922.

"The domestic demand for kraft pulp has also been smaller during the year and as in other sections of the pulp and paper industry we have had to face the fact that the capacity of our mills is much greater than can be taken care of by the domestic market. It is necessary, therefore, that serious attention be given to the problem of meeting European and other competition in disposing of our surplus production."

A hint of progress toward getting all the sulphite pulp mills of Canada together for marketing purposes is contained in a line of the sulphite report that says that it is hoped that eventually all the mills will be in the association. C. Howard Smith, chairman of the sulphite section, said:

"The past year saw a greater production of sulphite pulp and a large volume of pulp exported in spite of the lack of stability in the market and of keen competition from the centres of Northern Europe. It was hoped that the prolonged strike in Sweden and the labor troubles in Norway would have a favorable effect on the market and result in keeping prices at a more remunerative level, but it proved otherwise and the United States imported considerably more pulp from Europe than it did in 1922. It is evident that the consumption of pulp and paper on the continent of Europe has declined greatly and a large amount of these products is thereby released for export to this side of the Atlantic. The United States trade returns show that 350,000 tons of sulphite were imported in the first nine months of 1923, compared with only 237,000 tons in the corresponding months of 1922, an increase of about 50 per cent.; 44,000 tons of this came from Germany, which last year only contributed 16,000 tons and 64.000 tons from Finland, as compared with 25,000 tons in 1922. This competition, aided as it is by low labor costs, depreciated exchanges and cheap transportation is a serious obstacle to the Canadian sulphite manufacturer and will continue to be so, so long as the present chaotic conditions in Europe exist.

"Prospects for the coming year are difficult to outline, but general opinion appears to point to quiet, steady business. The presidential election will have its effect on business in the United States and will probably not be conductive to activity in general. There will undoubtedly be keen competition from Europe, possibly greater than in the past year so that it will be necessary for the Candian manufacturers to pay strict attention to costs of production and other factors which will assist them in meeting this competition."

The sulphite mills include Bay Sulphite, Whalen, Riordon, Mattagami, and others of less importance.

Look for Demoralized Markets

F. W. Clarke, chairman of the groundwood pulp section, prophesied a demoralized market for the product for 1924 unless co-operative marketing is arranged. He said regarding 1923:

"Low water conditions which are more or less seasonal, were abnormal in January and February and resulted in a stiffening of prices for mechanical pulp. When Spring flood-water occurred later, the usual reaction to lower prices was delayed owing to the strike in Scandinavia which cut off the supply from that quarter and thereby increased the demand for pulp manufactured on this continent. The net result was a fairly constant demand for pulp at good prices throughout the year. The decline in production, due to low water in the spring was offset by the better than normal conditions during the last three months of the year. In other words, outside of the abnormal years of 1919 and 1920, the year 1923 has been well above the average as regards earnings for the producer of mechanical pulp."

The newsprint report of J. A. Bothwell was very bright. He said:

"The increased demand which characterized the latter part of 1922 continued throughout the year and the Canadian newsprint mills were able to operate at capacity during this time. The heavy consumption of newsprint in the United States has resulted in greater production and in this respect the Canadian output has again established a new record.

"Our exports of newsprint in 1923 were principally to the United States, which accounted for 1,115,355 tons of a total exportation of 1,137,963 tons. The factor of European newsprint still has to be taken into account in this market and imports from this source were considerably greater than in the previous year, the total being close to 200,000 tons. In addition to these shipments to the United States, the European countries have practically monopolized the market in South America, the prices in that territory being too low for our mills to compete. The Australian market has also been practically lost to Canadians through the operation of the preference granted to British paper, and our shipments both to New Zealand and South Africa were below those of the previous year. The result is that our trade with overseas markets has become insignificant, and we are almost entirely dependent upon the market in the United States."

Propaganda For Duty On Canadian Newsprint

From Our Own Correspondent.

MONTREAL.—At the same time that there is a movement on foot to have Canada use its raw materials as a club to bargain for free entry into the United States of Canadian wrapping paper, high-grade papers, paperboard etc., American newsprint manufacturers are asking to have a duty placed on Canadian newsprint. This now enters the United States duty free, but is the only Canadian paper that goes in free.

Philip T. Dodge, president of the International Paper Company, recently suggested that definite action be taken by American publishers against the enforcing of an embargo by the Canadian government on exportation of pulpwood from privately-owned lands.

Mr. Dodge pointed out that the protective duty of the American manufacturers had been removed years ago admitting the Canadian product free of duty, and that the United States publishers permitted the Canadians to prohibit the exportation of woods from crown lands to the United States mills, although the Americans had paid large amounts for leases and cut rights.

Mr. Dodge claimed that the American industry was unprotected and that hundreds of millions invested in mills here were liable to be lost if the publishers did not take some definite stand on the situation.

Kenneth Davies Goes On Title Guarantee Board

From Our Own Correspondent.

MONTREAL.—Title Guaranty and Trust Corporation of Canada held an annual meeting this week, but no financial statement was made public. It covered the second complete year of the company's operations, and it is understood that no large profits were indicated.

Kenneth T. Dawes was added to the directorate.

Donnacona Paper Re-arranges Capital

From Our Own Correspondent.

MONTREAL. — Donnacona Paper Company gives notice of an increase of its capitalization from $3,500,000 to $5,000,000. It is understood this is preliminary to a split up of the stock, five shares of no par value stock to be given for each share of common stock now held. Donnacona has few shareholders in Canada, control being held in the United States, although the bonds are owned in this country.

ONTARIO WARY ABOUT NEW PAPER MILLS

From Our Own Correspondent.

MONTREAL.—Canadian paper makers at their convention here were pleasantly surprised to learn that the Ontario government is quietly taking steps to regulate the production of paper in that province to the end of preventing over-production of newsprint. Hon. James Lyons, Minister of Lands and Forests, said that his department had before it about fifteen applications for sites and limits for newsprint mills. It was proposed to deal carefully with these, as the whole industry would suffer if too many mills were built and the market were glutted with more paper than it could absorb.

St. Maurice Valley Paper Merger is Progressing

From Our Own Correspondent.

MONTREAL. — Negotiations are still proceeding to the end of merging the four big newsprint producers of the St. Maurice Valley. No definite stage has been reached in the transaction, but those behind the project express considerable optimism that the merger will go through.

The companies involved are Belgo-Canadian Paper Company, St. Lawrence Paper Mills, the St. Maurice Paper Company, and the Laurentide Company.

Sugar Refineries Were Less Active

MONTREAL.—Government figures indicate that in 1923 Canadian sugar refineries did not hold the great export business of the year 1922. Their production as a result declined greatly. Domestic sales were also lower, and during the year there was increased competition from American refined sugar.

During 1923 the refineries manufactured 832,300,000 pounds of sugar as compared with 1,155,500,000 in the previous year. Domestic shipments amounted to 727,000.000 pounds, as compared witth 809,900,000 pounds, and export shipments were 119,200,000 pounds, as against 315,400,000 pounds. Imports of refined sugar amounted to 17.000 000 pounds, as against only 2,600,000 pounds in 1922.

THE SILVER FOX CROP

CHARLOTTETOWN. — According to the American consular agent here there were 2,600 silver foxes shipped during 1923 from Prince Edward Island to American points. In addition a large number were shipped to points in Canada, as well as a shipment to Scotland and another to Germany. There was keen demand for breeding stock, buyers being here from as far west as California and British Columbia.

When Investing

The managers of all our branches are in a position to obtain reliable information for those of our customers who contemplate making an investment. The purchase or sale of Government, Municipal and higher grade Industrial Bonds can be arranged through any branch of this bank.

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FORTIETH ANNUAL REPORT

ASSETS		LIABILITIES		
Cash Assets	$176,970.91	Reserve for Cash Premiums		$ 11,626.00
1923 Unpaid Assessment	78,922.63	Royal Victoria Balance		7,656.79
Balance of Unassessed Premium Notes	735,032.18	Losses Reported but Unadjusted	$14,500.00	
		Less Reinsurance	9,000.00	
				5,500.00
		Surplus Assets over Liabilities		966,142.93
	$990,925.72			$990,925.72

AUDITORS' REPORT
Winnipeg, Man., January 11, 1924.

I beg to report having audited the books and accounts of the Company continuously throughout the year and submit herewith statement which in my opinion correctly and accurately shows the position of the Company on December 31, 1923.

The Cash Book has been thoroughly checked, all cash received in premiums has been traced to the policy holders' accounts. The balance of cash on hand $82,355.91 is at your credit in the Bank of Montreal and the Provincial Savings Office.

C. D. COURBOLD, Chartered Accountant.

Insurance Written During 1923 . . . . $22,346,232.00
Total Amount Business in Force $68,331,180.00

Write the Secretary for the Annual Report.
STRATTON WHITAKER, Secretary-Manager.
E. H. MUIR, President. A. H. THORPE, Treasurer. M. G. TIDSBURY, Vice-President.

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$1,000 Invested Last Year Now Worth $2,586

One Thousand Dollars invested at the 1923 low prices, in 5 Winning Canadian Mining Stocks, is now worth on the market $2,586.00.

At this point in the economic cycle when practically everything — except precious metal—is going down in price, and will continue to go down for years, the only sensible thing to do is to interest yourself in precious metal mining — at once.

For larger profits and consistent price advances therefore invest in precious metals. This is sound advice based on world-wide economic conditions. A pound of foresight is better than a ton of hindsight.

But — when getting into precious metals, use intelligence and speculate scientifically—don't guess. Investigate before you invest. Get the facts and study them.

Canada Gold Review analyzes Canadian Mining Stocks and gives late news from the Silver and Gold Camps. Write to-day for free sample copies of next 3 issues.

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MINING NEWS FOR THE INVESTOR

CLIFTON SECURES FINE PROPERTY IN S. LORRAIN CAMP

Means Re-organization of Company—One New Share for Two Old

A deal, decidedly favorable to the shareholders of Clifton Porcupine Mines has just been concluded by Homer Gibson, vice-president. By it Clifton secures five claims, near 200 acres in South Lorrain, located 1½ miles southeast of the Keeley. The purchase price is $5,000 cash and 200,000 shares of stock. Geologically the claims are highly promising. For three-quarters of a mile a diabase-keewatin contact cuts through them. It is closely adjacent to such a geological condition that the Keeley and Mining Corporation are getting their rich ore. There are several promising looking "breaks" such as are found on the proven properties, existing on the claims.

The terms of the deal are being quite favorably commented on. Some of the claims were owned by the Penley Exploration while other northern pioneers were interested in the others. The cash payment went to meet some debts of a portion of the group and the balance of this interest and the whole of the other was transferred for a stock interest. Confidence of the vendors in Mr. Gibson, it is said, went a long way in putting through the deal. Involved will be a re-organization of Clifton. It is proposed to organize Clifton Consolidated Mines, capital $2,000,000 and give old shareholders one share of new for two shares of old. This is much the same as Vipond did, only their shareholders got one new for three old. In this way the capital is held to the old level and not made unwieldy. The treasury will hold 1,000,000 shares and of this 200,000 will be paid for the property.

Shareholders of Clifton were disappointed by results on the Porcupine property. Recently milling was suspended and diamond drilling undertaken. Immediately a hunt was made for another property and Mr. Gibson turned his attention to the silver camps because silver properties are less costly to develop, while results are quicker.

The annual meeting of Clifton is called for Feb. 18 when shareholders will be asked to pass on the deal. A financial statement which accompanies the call shows Clifton's liquid assets at $41,542 and liabilities $2,772.

KEORA SALE OF SHARES

The recent announcement in THE POST of the proposal to sell Keora shares in England gave the price to the company as five cents. It should have read 50 cents.

CONSOLIDATED SMELTERS

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Company for the week ending January 14, totalled 8,119 tons, and for the week ending January 21, 4,819 tons.

Silvers Dominated Mine Share Trading of Week

For the first time since Cobalt started to slip, silver issues dominated the golds in the mining market. The gold shares started to come strong as the silvers started down the slide. Since then they have held the centre of the stage. Now the silvers have come back and temporarily, at least, ousted the yellow metal shares. Of course South Lorraine is the cause with Gowganda as chief aide.

Keeley and Mining Corporation were the shining lights in the boom market. There was a heavy trading in these shares and a material rise in prices. Profit taking has since put them back somewhat. Many of the other silvers rose in sympathy. Several new companies are entering South Lorraine. They are preparing for a tremendous activity in the spring.

Vipond led the golds. Its rise has been meteoric, likewise the strength it has shown in the face of heavy profit taking. It is clear that a great deal of the stock is being held for higher prices. The announcement of Dr. Bell, managing director, that no merger with adjoining properties was being negotiated, in no way influenced the market.

Dome has been weak. The half-baked statement to the shareholders recently has served to undermine public confidence somewhat. The bears at New York took advantage of this for a raid, as they always do.

There were no other outstanding market features but the rest of the list was generally strong with the tendency upward on the slightest favorable news.

LORRAIN'S RICH SILVER MAY GO TO GREAT DEPTH

Nearly all the native silver of the Frontier mine is primary ore. This is the conclusion of E. S. Bastin, professor of Economic Geology, University of Chicago. He examined this property of the Mining Corporation to decide whether or not the ores were of primary origin. In other words, if the silver solutions came up from deep seated sources or whether they were replacement. At stake was the question of whether the ore being mined was only in shallow deposits or whether it might be expected to go to great depth. He says: "The evidence that most of the silver is primary is definite and conclusive, and warrants the confidence that shoots of rich ore may be encountered to considerable depth, unless other factors such as a decrease in the degree of fracturing and of replacement with depth interfere. This announcement is of wide importance to every operator in the South Lorrain camp.

Most of Cobalt's great production came from close proximity of the Diabase-Keewatin contact. Lorrain's values may go away below it.

VIPOND SETTLES INTO STEADY PRODUCTION

An interim report to the shareholders of Vipond shows the mill production for January at $53,500 whilst during the tuning up in December it was $24,946. From the 15th July to the 15th November ore reserves have risen from 210,885 tons to 25,981 tons. This increase is greater than these figures would indicate due to the fact that the average grade has risen also from $6.62 to $10.19 per ton. The estimated ore reserves in July were almost doubled by the reserves shown in November at $2,618,636.

INDIAN STILL ERRATIC

Indian shares continue to be decidedly erratic on the market. For instance, on Wednesday the quotation on the market was bid 35½ with stock offered at 85½. Sales have ranged around 40 of late. Traders are skeptical of explanations so far advanced as to the cause of the break in the price of the stock to 20, from which it has since recovered. In December nearly a quarter million shares of stock were recorded as changing hands at above 80 with 84 as the high mark.

CROWN RESERVE FINANCING

There is considerable speculation as to the price at which Crown Reserve will offer its next block of stock to the shareholders. The market trend would seem to indicate around 65. It is expected that new funds will be raised in the not distant future for a mill. The annual meeting will be held at the end of the month.

NEW GOWGANDA CO. HAS LARGE ACREAGE

Capitol Company is Headed by McIntyre and Castle Leaders

With 791 acres in the heart of the rich producing section of Gowganda, the Capitol Silver Mines have been launched. The shares have already been called for trading. The concern is headed by leaders in the McIntyre and Castle Mines while R. J. Enis, manager of the McIntyre, and H. S. Robinson, of the Castle, are on the board. Geologically the property stands out. It is identical with the proven area of South Lorraine. Both the Castle and Miller Lake O'Brien adjoin the holdings of the Capitol and are both partly on the same contact zone which is the promising geological condition of the Capitol. The new company is capitalized at $4,000,000 with shares of $1 par of which $1,000,000 have been issued. The directors are all well known in mining circles. They are: J. P. Bickell, J. B. Tudhope, W. J. Sheppard, Joseph Errington, W. McDougall, R. J. Ennis and H. S. Robinson.

Swastika-Westree Line Survey Starts in Spring

Early spring will see gangs at work surveying the railway line west from Swastika to Matachewan, Gowganda, Shining Tree and out to the Canadian National lines at Westree. Unofficially it is said that the matter has been really decided upon.

For the moment interest is focused on the South Lorrain branch. The general opinion is that it will go ahead. New concerns are springing up in the camp steadily. The spring will see many new operations start. Transportation at present is a heavy toll on young companies. It costs the Mining Corporation $5 a ton to haul their supplies down from Cobalt.

Early spring will see the completion of the steel laying on the Kirkland Lake branch and it should not be many months before the trains will be in operation. Part of the rails are already laid.

MINING CORP. PROGRESS REPORT

In a progress report recently submitted to the shareholders, Mining Corp. state that since the drills have been released from sinking the new three-compartment shaft on their South Lorrain properties more new high-grade ore shoots have been disclosed than in the previous ten months work.

The plans of the mill at the Frontier are awaiting the government's decision as to whether to run the T. and N. O. to South Lorrain or not. Should this line be constructed in the near future the company would be able to treat the ore more profitably at their reduction plant in Cobalt.

The total production for 1923 from the Crompton and Frontier mines in South Lorrain will approximate 1,350,000 ounces. Part of this yield was applied in completing the purchase price of Frontier.

FINANCE MATACHEWAN CANADIAN

It is expected that a meeting of Canadian Matachewan directors will be held shortly to take up one of a couple of offers to finance the company through sale of a block of treasury shares. It is reported that there were three offers made recently.

SILVER AND OTHER METALS

Silver—	4	5	6	7
London (P)	33 5/16	33 5/16	33 5/16	33⅜
New York	64¼	65¼	64	64
Copper	12½	12⅝	12½	—
Lead	8.50	8.15	8.15	—
Zinc	6.65	6.60	6.65	—

Mining Stock Quotations

Week Ending February 5

	High	Low	Close Feb. 5	Close Jan. 29
Atlas	4½	4	4	4½
Apex	2½	2½	2½	2½
Algonquin	3	2	3	1⅞
Argonaut	57	53	55	56
Baldwin	6⅞	5¼	5¼	7
Beatty	5¼	4⅝	4⅞	5
Beaver	32	26	28½	32
Bidgood	11	10½	10½	11½
Beatty rts.	3⅜	3	3⅜	3
Buckingham	4½	4	4½	4
Castle Tret.	64	62	62	65
Coniagas	2.20	2.15	2.20	2.20
Cons. Smelters	38¼	37¼	37¼	37⅞
Cons. W. D.	29	26	28¼	26¼
Clifton	9¼	8¼	8⅜	7¼
Col. Kirkland	5	5	5	7
Crown Res.	75	64	68	74½
Dome Mines	18.70	17.48	17.70	18.40
Everett	15	13¾	14¼	13¾
Goldale	46¾	43½	45	43
Hattie	7⅜	7	7⅛	7¼
Hollinger	12.25	11.90	12.20	12.00
Hunton	7	6¼	7	6
Inspiration	10	10	10	9
Keora	11⅞	9⅜	9¾	9¼
Keeley	2.59½	2.50	2.54	2.54
Indian	64½	20	39½	65
Kirk. Lake	21½	20	21	22
La Rose	24	22	22½	22
Lake Shore	3.65	3.54	3.59	3.57
Lorrian	17	15¾	15¾	16½
Lebel Oro	30	30	30	30
Montreal, Ont.	18	15	15½	15
McIntyre	18.20	17.40	18.00	17.45
McKinley	12¾	12	12¾	12¼
Mining Corp.	3.99	3.50	3.70	3.58
Moneta.	24	22	23½	22
Newray	40	36½	38¾	40½
Nipissing	6.55	6.41	6.50	6.50
Ophir	3½	3¼	3⅜	3½
Night-Hawk	94½	92½	93	93
Pete. Lake	10¼	10	10	10
Porc. Cr'wn	12	11	11½	12½
Preston E. D.	14¾	14	14	14⅞
Lorrain T. L.	1.38	1.24	1.35	1.25
Silver Leaf	⅝	⅝	⅝	—
Teck Hughes	1.31	1.24	1.30	1.31
Timiskaming	31	29½	29½	31
Thomp. Krist	7½	5¾	6	7½
Trethewey	9½	8	8	9½
Tough Oakes	68	65	66	66
Vickers	23	22	22	22
Vipond Cons.	1.40	1.21	1.29	1.20
Wakenda	3¼	3¼	3¼	3½
Wasapika	3½	3	3⅛	3
West Tree	6	5½	5¾	6
Wettlaufer	25	19	24½	20½
Wright Hargreaves	2.95	2.83	2.95	2.85
NEW YORK PRICES				
Inter. Nickel, common	14¾	14⅛	14½	14½
preferred	82	80	80	79
OIL COMPANIES				
Brit. Amer. Oil.	37¼	36½	37	36¾
Imperial Oil	120½	119	120	120
Inter. Pete.	22¾	21¼	22	21⅞
Mutual Oil	13⅞	12⅝	13½	13⅞
Volcanic Oil	95	94¼	95	—

A Special Article on
South Lorrain
SILVER AREA with a map of the properties appears in the new issue of
Gibson's Fortnightly Mining Review
which is now ready for distribution.
This Bulletin is issued for the benefit of our friends and clients, and contains first-hand news from the mining camps throughout the North. This issue is of particular interest in view of recent developments in the Lorrain district, and we shall be glad to send you a free copy upon request.
Homer L. Gibson
AND COMPANY,
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Lakeside Lorrain
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To be called on the Standard Exchange Friday, February 15th.
It is expected trading will commence at upwards of 20 cents per share.
Lakeside Lorrain has proven popular as an unlisted issue, and therefore should become a public favorite when trading begins on the mining exchange.
As the Company is well financed and is aggressively pursuing development work, we advise the immediate purchase of Lakeside Lorrain stock. Particulars given upon request.
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"Timely Talks on Mining"

By

Irving J. Isbell

TALK NUMBER TWENTY-FOUR

There is an old proverb which says, "A wise man turns chance into Good Fortune." History does not tell us who the author of this proverb was, but I think he must have been a mining man because turning chance into good fortune is the very essence of mining.

When Benny Hollinger took the Hollinger deal to the Timmins brothers and offered to sell the property to them for something over $300,000, it must have looked like a lot of money. It was a lot of money too when you stop to figure that up till that time there had never been a real gold mine in Porcupine or anywhere else in Ontario. I can imagine what thoughts came to the Timmins, what doubts must have assailed them. They had commenced as storekeepers and made money in the Cobalt boom. They had what even in these times would be considered a fortune. Why risk losing it all?

It is very well to look back now after Hollinger has become a tremendous success and see that they did the right thing. But with the possibility of failure staring them in the face, you can believe me that it took real courage of the highest type to "take the chance."

I think if you will delve into the intimate history of mining in any country under the sun you will find that every mine that ever made good is merely a repetition of the Hollinger history with variations of course, but the same principle applies.

Mining is a business that requires stout hearts, red blood and plenty of iron nerve. The "take a chance" spirit is just as essential to success in mining as the "safety first" spirit is to banking. For a banker to try his hand at mining would be as suicidal as for a mining man to try to run a bank. We have had a striking object lesson in this respect in this country. The Farmers Bank fiasco is still fresh in the minds of mining people, and the irony of the thing is that the property which broke the bank has since turned out to be the most sensational silver mine in the world—for those who do not know mining history, I refer to the Keeley.

Taking a chance is the very breath of all success in mining whether it be in the development of mines or in buying mine stocks. That is why when a client comes to me to make an investment, I advise him to see his banker, but if he wants to make big profits and is not afraid to assume the risks, I suggest mining stocks, preferably those which have not reached the "achievement" stage. By this I mean a mine that has good location, favorable rock structure, commercial ore bodies at least indicated, sufficient finances in sight, and a good management. This kind of mine I call an "opportunity," because if it develops into a producer there is big money to be made in the stock.

After such a property has definitely proven its worth, has ore reserves and is showing profits, it is an "achievement."

For example, Lake Shore was an opportunity when the stock was selling around 40c; Hollinger at $3.50 for the old stock; McIntyre at 25c; Vipond at 40c, etc. All these stocks are now in the "achievement" class.

The early days of every new mining camp brings chances which wise men can turn into good fortune. The Rouyn gold fields of Quebec are in the same position in this respect as Porcupine was a few years ago. According to reports the Timmins interests are again showing that the pioneer spirit they showed in early Porcupine days was not a flash in the pan or a mere hysterical impulse. Timmins interests have optioned a tract of mining ground in Rouyn Township, adjacent to the Thompson-Chadbourne holdings. The option price is curiously close to that which they paid for the original Hollinger claims in Porcupine. Those who know the property taken over in Quebec are firm in the belief that the Timmins are going to extend their wonderful successes further.

One of the best chances to make money in Quebec that I know of is the Rouyn Gold Mines. I honestly believe that this company has the makings of a big mine and that the stock is one of the best opportunities I have ever seen. They have acreage and favorable geology and better still have already uncovered veins which in Porcupine would cause a sensation. It is just reported that Rouyn Gold Mines have let a contract to diamond drill the property. The first drill will commence operating in a few days and a second drill is being shipped in. Two surface veins showed gold values of $13.20 and $18.60 to the ton over good widths. If history repeats itself and the diamond drilling proves that the ore gets richer and wider with depth, the present price of this stock around 36 cents a share will look mighty cheap.

Rouyn Gold is not a stock for widows and orphans to buy. But it is a good speculation for the man who is willing to turn chance into good fortune because I firmly believe that the diamond drilling will show that Rouyn Gold Mines property has big payable ore bodies that can be mined and milled to show profits and that the shares will be worth a lot more in a few weeks' time than they are to-day.

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Twenty-Five" will appear in the issue of February 15th. We suggest that you have your name placed on our mailing list to receive a copy of "Timely Talks on Mining" each week without any charge or obligation of any kind.

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NEWS OF THE BANKS AND BANKING

CANADA CAN GET ON A GOLD BASIS, THINKS LEACOCK

The McGill Economist Says There Would be Many Benefits

By PROF. STEPHEN LEACOCK.

Those who read the article in THE FINANCIAL POST of January 18, discussing the points for and against the restoration of the gold standard in Canada, will be interested in reading the views on this matter of Professor Stephen Leacock, head of the department of political economy of McGill University. Professor Leacock expresses the same views that were outlined in the previous article; that a consideration of the question would probably reveal that Canada could restore the gold standard with great benefit to herself and without great dangers. Prof. Leacock's statement was made before a group of insurance men in Toronto.—J. W. T.

In Canada the restoration of the gold standard, if we could put behind it public confidence and a proper understanding of its importance, can be accomplished with no delay and with no insuperable difficulty. Many people are misled here by silly theories about the balance of trade. If we restore gold payments, they tell us, we shall have to pay our adverse balances of trade in gold, and hence gold would drain away as rapidly as we could get it. If this were so it would be hard to understand how Great Britain, in the days of her commercial splendour before the war, continued to exist. The balance of trade was steadily against her year by year. But, as every economist knows, such "adverse balances" merely reflected the happy fact that huge consignments of goods were sent to England to represent the interest on investments abroad, and the services of a mercantile fleet that covered half the world.

In any case, the argument could not touch us here and now. Our trade balance, as a whole, (reckoned with all the world), runs in our favor. The fiscal year 1922-23 shows an enormous balance, about $100,000,000 coming to us.

We have, it is true, a public debt of about $2,500,000,000, the interest of which would have to be paid in gold if the standard were restored and if people insisted on having it. In the same way, if the standard were restored, every depositor in every bank could ask for all his money at once in gold and legal tenders and the bank could ask the government to pay the legal tenders in gold. In other words, if we restored the gold standard, and if everybody asked for his money at once, all the banks would break and the government would break along with them.

This sounds very terrible until we realize that after they had "broken" they would be just exactly where they are now. In the sense implied, they are all "broke" as it is.

But observe that with proper public confidence the people do not all ask for gold all the time. At any time for a hundred years all the banks everywhere could have been broken and yet they never were.

The peculiar ease of our case is that our paper as yet is but little depreciated from par. The fluctuating course of the exchange lifts us sometimes almost to the surface. Let us put out our arms and swim.

The advantages are great. With a restoration of the currency we restore credit. We make this a good country to invest in. We attract foreign capital, and, with it, immigration, and with that the restoration of commercial prosperity and the return of all our hopes.

Exchange

With the strain of existing conditions in Europe reflected in the fluctuations of French exchange, it is difficult to find a basis for hopefulness as to any material recovery in the French financial position in the immediate future, states the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York. The comments of the French minister of finance, however, disclose a spirit of optimism as to the ability of his nation to meet the financial difficulties with which it is confronted, the Survey says.

The investigation that has just been undertaken by the international committees appointed by the Reparations Commission to inquire into the possibility of restoring German finances will, it is hoped, soon point the way to better conditions, and the painful experiences which the world has suffered as the result of the long-drawn-out struggle over war settlements may at last create the spirit of conciliation and co-operation needed to effect any permanent rehabilitation of Central Europe. It must be admitted, however, that thus far there has been little indication of the development of such a spirit.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Jan. 31	3 1-16	2 15-16	1 3-16	1 3-32
Feb. 1	3 1-32	2 31-32	1 1-4	1 1-8
Feb. 2	3 1-32	2 31-32	1 1-16	1 1-32
Feb. 4	3	2 31-32	1 1-16	1 1-32
Feb. 5	3	3	1 3-16	1 3-32
Feb. 6	3 1-32	3	1 7-32	1 13-64

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Jan. 31	4.30½	4.70	4.36¼
Feb. 1	4.35	4.71½	4.39¼
Feb. 2	4.35¼	4.70	4.38¼
Feb. 4	4.30¼	4.65	4.37¼
Feb. 5	4.29⅞	4.61½	4.38½
Feb. 6	4.31⅝	4.64½	4.39

Relations of the Toronto Trust Companies and Banks

Sir Edmund Walker's acceptance of the presidency of the Toronto General Trusts Corporation is interesting in view of the gossip so generally heard in financial circles that the Canadian Bank of Commerce and the National Trust Company are closely affiliated. As a matter of fact, Sir Edmund has for some years been a very active director of Toronto General, and his appointment as president came as a natural development of that interest.

The close association of the Bank of Montreal and the Royal Trust Company, and the Royal Bank and the Montreal Trust Company, has no doubt led to the impression that the Commerce and the National Trust were similarly related, because of the fact that certain business men are directors of both institutions. However, so far as the Toronto General and National Trust are concerned, affiliations with individual banks are denied, and the appointment of Sir Edmund is offered as evidence of this. Further, it is pointed out that Sir Edmund Osler, president of the Dominion Bank, is also a director of the Toronto General. Sir John Aird, general manager of the Bank of Commerce, is a director of National Trust, of which the president, Sir Joseph Flavelle, is a director of the Bank of Commerce.

LITTLE TO STORIES OF HARSH TREATMENT

Alberta Debt Commissioner Disposes of Some Reports Regarding Banks

EDMONTON.—A farmer in the south of the province stated recently, when asked to pay an account of eight dollars, that he was unable to do so, as one of the chartered banks had seized all his grain and $5,000 worth of machinery and livestock to satisfy a $400 debt, and that the bank intended to sacrifice everything. His statement was given some publicity and drawn to the attention of E. J. Fream, who is in charge of the administration of the Debt Adjustment Act. Mr. Fream refused to credit it.

He pointed out that, if the bank had made the seizure, it either held a chattel mortgage on everything as seized, or else had taken action through the courts and had judgment and execution. If it had a mortgage which was in arrears, then, under the provisions of the Extra-judicial Seizures Act, it was necessary that the seizure should be made by the sheriff. But before the goods could be offered for sale, the creditor was compelled to go to the court and receive an order from the judge authorizing the removal and sale of the goods.

The action of the courts during the past few years showed conclusively, Mr. Fream went on to say, that the judges were not allowing sale to take place if, in their opinion, on the evidence supplied there was any hardship accruing to the farmer. His experience in dealing with creditors of this description was that, although they were demanding a full return of all monies due to them, they would carry along a debtor when he was looking after his affairs properly and was trying to do the right thing.

There are many stories afloat of a character similar to that which was referred to Mr. Fream, says the Edmonton Farm Weekly Journal, which adds: "It has been difficult to believe that the banks have been adopting so unreasonable and shortsighted an attitude and it is reassuring to learn from the commissioner that this is not generally the case."

Guggenheim Millions Shy at the Supertaxes

Pioneers of great development enterprises, requiring millions of capital courage and faith, and the willingness to wait for profits, like the Guggenheims, find the government plan of imposing supertaxes on large profits distinctly encouraging. They might invest millions in an enterprise like Kennecott Copper, or Chile Copper, and go years without profits only to find when profits did come they would be gobbled up by the government.

Since the infliction of the present tax laws, the Guggenheims have been offered many tempting opportunities for investment and development in various parts of the world. These after careful consideration, have all been turned down, because the large surtaxes, which, under existing law must be paid on any profit, make such enterprises now too hazardous for present effort because of the great risk normally involved in mining activities.

Staff Gossip

Mr. D'Alton of the Bank of Commerce staff in Carmangay, has been transferred to the staff of the Pincher Creek branch.—The Herald, Lethbridge.

* * *

F. N. Hurst, manager of the Home Bank at Alliston, will enter the head office of the Bank of Toronto previous to being assigned to one of the bank's branches.—The Free Press, Shelburne.

* * *

R. S. H. Sloggett of Truro, Nova Scotia, has been appointed accountant to the Union Bank of Canada, to replace W. K. Whaley who has gone to Detroit, where he has accepted a position with the First National Bank.—The Record-News, Smiths Falls.

* * *

A. O. Murray, manager of the Aurora branch of the Imperial Bank, has been transferred to Ingersoll. During his residence in Aurora, Mr. Murray has been actively connected with the Board of Trade, and has taken a keen interest in athletics. He will be succeeded by L. Brown of Niagara-on-the-Lake.—The Globe, Toronto.

RESERVE FUND IS INSURANCE OF THE BANKS

Suggestion That the Banks Take Out Protection Policy

A correspondent, who is a former bank manager in the Maritime provinces, writes to THE FINANCIAL POST sugesting that the principle of insurance be applied as an additional security for depositors of chartered banks. He points out that the chief peril of the banks in general appears to be due to a heavy shrinkage in resources caused by bad loans, the inherent dry rot not becoming apparent until adverse trade conditions occur. Good business firms already carry credit insurance to protect themselves from losses, which they are sure to meet. Using this as an example, he asks why the banks should not carry insurance on their loans equal at least to the average annual amount outstanding.

In a country where a great many small banks are operating, each in a limited territory where it may be seriously affected by purely local conditions, the plan of insuring deposits in a large insurance or indemnity company accepting such risks over a wide field would seem feasible and even advisable. However, in the case of the Canadian banks, the first question which presents itself is whether the branch banking system does not largely accomplish the same purpose Deposits are taken and loans are made in districts widely separated, and, in various types of business, having very little connection with each other. Consequently, when a local depression occurs in any district, its effects are not enough to seriously embarrass a bank if loans have been properly spread out. Rather is it in times of general depression that the bank feels the strain and heavy losses occur. Moreover, at the same time, other banks are affected. If the risk attached to loans were transferred to insurance companies, it is reasonable to suppose that claims under these policies would tend to pile up heavily at such a time, and be comparatively light in times of prosperity. As a result, the public would be exposed to failures of the insurance companies when faced with unusually heavy losses. It is true that they build up reserves against these losses, but this is exactly what the big reserves of the banks are maintained to overcome. In other words, the branch banking system is in a sense the utilization of the insurance principle.—E. H. McN.

Editor, The Financial Post:

Sir:—I am an ex-bank manager and a subscriber to your valuable paper and have noted the travails of the banking fraternity recently; a phase in their existence which calls for sound common sense and the adoption of new measures if they expect to endure and survive the shocks which are bound to be encountered in business. I have taken a deep interest in the articles relating to this subject which have appeared in your paper, the educative value of which have been in the public interest. We can all profit from a general discussion of a subject through the columns of the press and new ideas of constructive value and merit are sometimes gained thereby. The chief peril of the banks in general appears to be due to a heavy shrinkage in resources caused by bad loans, the inherent dry rot therein not becoming apparent until adverse trade conditions occurred turning them into frozen credits and in many instances dead losses, thus imperilling the very existence of the banks themselves. The old adage that it is easy to loan money but hard to get it back again having only proved too true, I would suggest that the banks in order to provide additional security for their depositors who furnish the bulk of their resources and are sometimes the ultimate losers, should carry insurance on their loans equal at least to the average annual amount outstanding. Good business firms already carry credit insurance to protect themselves from losses which they are sure to meet and the banks should not find it unduly burdensome to adopt similar methods to strengthen the credit structure of this country. The chief point of the bankers themselves appears to be the high rate of taxation imposed on them by our respective governments. So why not try to induce the governments concerned to lessen the loss of taxation on condition that the funds formerly paid them for taxes be used to pay insurance premiums covering outstanding loans. Co-operation in this manner would be a practical measure and largely restore confidence which is, after all, the basic requisite in all commercial undertakings. Nobody wants government inspection of banks, or a government guarantee of bank deposits, as both, schemes are highly impractical and dangerous expedients which would stifle private enterprise, initiative and thrift. What the public do want and expect is safety of the funds they entrust to their care and it should not be impossible for the government, the bankers and insurance experts to devise a scientific and practical scheme to stabilize our economic structure. Should outside inspection and audit of the banks be deemed desirable, the logical way under an insurance plan would be to have competent men selected for this important duty by the insurance companies directly interested in the risk as part of ordinary business acumen.

Yours truly,

EX-BANK MANAGER.

Truro, N.S., Jan. 25, 1924.

ALBERTA SAVING CERTIFICATES

EDMONTON.—A heavy business has been done during the month of January in Alberta savings certificates, approximately $20,000 a day being taken in during the month. The total amount on deposit for investors in these certificates at the end of 1923 was $4,631,713. The purchases for the year totalled $2,555,170, the withdrawals being $2,274,279. In the seven years the plan has been in operation a total of $17,036,138 has been invested, with total withdrawals of $12,404,424. The cost of administration of the scheme, including all overhead expenses, is less than one-quarter of one per cent.

PROVINCIAL BANKS WILL BRANCH OUT IF OTHERS CLOSE

Will Open Where Merged Banks Over-lap at Present Time

From Our Own Correspondent.

MONTREAL.—As the annual statement of La Banque Provinciale du Canada, that was issued this week covers a period of seventeen months no proper comparison can be made of the figures with those submitted for the previous fiscal year. The bank decided last summer to close its year as at November 30, and the annual meeting was therefore postponed from August to February.

Net profits of the bank during the period amounted to $583,696, and, after payment of taxes and dividends of 9 per cent., and the transfer of $115,000 to the contingent fund, there remained $26,042 to the credit of profit and loss, practically unchanged from the previous year.

Deposits Little Changed

The deposits of the bank showed little change from those indicated in the previous statement, current deposits amounting to $4,791,000, as against $5,858,000 at June 30, 1922, and savings deposits $24,584,000, as against $23,427,000. The comparison however, being made of deposits at different seasons of the year, is not significant, and reference might be made to the statement of Sir Hormisdas Laporte, the president, and Tancrede Bienvenu, the general manager, to the effect that the ordinary deposits show an increase of $3,769,000 up to the end of November, probably, as against the figure for November 30 of the previous year.

Total assets of the bank amount to $37,374,586, a decline from the June, 1922, figure of $40,035,089. A large proportion of the assets are invested in liquid securities. These total $19,389,662, or 59 per cent. of the total. Included in liquid assets are call loans. Among other assets, current loans remain practically the same at $14,357,567.

Refused to Merge

At the annual meeting this week reference was made to the decision of the bank not to merge with the other two French-Canadian banks. It was stated that the result of the merger of the other two French banks would be an increase of business for La Banque Provinciale, for branches of this bank would be opened in communities where the other two banks are at present overlapping.

The president and general manager stated it as their opinion that the recent changes in the Bank Act "added nothing to the stability of the banks for success in all kinds of business depends on the integrity, intelligence and business-sense of the men in charge."

BELIEVED THAT BUSINESS HAS TURNED CORNER

(Continued from page 1)

change in the volume of freight being moved compared with a year ago. For the week ending January 26 the total of 48,969 was 517 higher than for the corresponding period last year but for the previous week there was a decline of 5,300 compared with 1923. Grain and live stock show a falling off while coal, pulpwood, pulp and paper show an increase. Dividends payable in February, as compiled by THE FINANCIAL POST, total $12,545,576 compared with $10,729,060 in February last year, an increase of nearly $2,000,000.

The lumber industry is suffering from high taxes and transportation costs, according to Angus MacLean, president of the Lumber Association, who declares that reductions are necessary if North American lumber is to regain its place in the export markets; few Canadian companies will show a normal profit for 1923 due to the lack of export trade with Europe. The farm implement industry in Canada will benefit as the result of the French Government introducing a bill providing for the temporary reduction of duties in farm equipment, according to Thomas Bradshaw, general manager of the Massey Harris Company.

In the United States it is noted that the high wages of labor are having an effect on activity, particularly in the building trades. This should have the effect of moderating the demands for workers and improving the supply of labor in Canada.

INCREASED NOTE CIRCULATION

Dominion note circulation at the end of December was $248,673,064, compared with $240,995,544 at the end of the previous month. Gold held, increased proportionately, the percentage increasing fractionally from 45.3 to 45.9. On December 31 the amount of gold held was $114,379,462; on November 30, it was $109,301,003.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Jan. 31, 1924	Change	%
Toronto	$88,460,262+	$4,962,293	5.9
Montreal	87,481,196+	3,632,813	4.3
Quebec	4,490,216+	62,271	1.4
Ottawa	4,474,433—	302,873	6.3
Hamilton	3,955,512—	674,829	14.5
St. John	2,442,826+	461,025	23.2
Windsor	2,174,747—	94,366	4.1
Halifax	2,157,330—	52,293	2.3
London	2,021,649—	342,922	14.5
Kitchener	812,057+	33,864	4.3
Brantford	720,096—	16,265	2.2
Moncton	639,785—	150,864	19.1
Peterboro	615,762—	19,832	3.3
Sherbrooke	551,857—	17,077	3.0
Kingston	486,368—	100,172	17.1
Total	$201,483,596+	$7,420,437	3.8

WESTERN CITIES

	Jan. 31, 1924	Change	%
Winnipeg	$33,149,169+	$3,775,648	12.8
Vancouver	14,512,140+	2,020,373	16.1
Calgary	6,193,119+	2,391,683	62.9
Edmonton	2,388,562—	322,676	8.6
Regina	2,792,628—	212,962	7.1
Victoria	1,575,865—	151,664	8.7
Saskatoon	1,256,391—	123,851	9.2
Moose Jaw	811,609—	40,751	4.7
Lethbridge	704,290+	240,200	51.7
Ft. William	547,029+	23,085	4.4
N. W'minster	447,037+	31,566	7.6
Brandon	374,312—	9,018	2.3
Pr. Albert	266,533—	34,563	11.4
Medicine Hat	206,228—	34,766	14.4
Total	$ 66,224,922+	$7,552,304	12.9
Grand total	$267,708,518+	$14,972,741	5.9

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Jan. 31, 1924	Change	%
Toronto	$449,560,139+	$24,601,811	5.3
Montreal	444,600,306+	42,339,206	10.6
Ottawa	25,991,813+	917,799	3.5
Quebec	24,020,727+	1,551,511	6.9
Hamilton	21,521,116—	1,275,275	5.6
London	13,187,300+	345,919	2.7
Windsor	13,064,743—	671,715	4.9
Halifax	12,209,818—	310,478	2.5
St. John	11,719,521+	1,140,516	10.8
Brantford	4,216,896—	34,167	8.0
Kitchener	4,155,314—	24,712	5.9
Sherbrooke	3,528,460+	309,769	9.6
Peterboro	3,347,346+	410,205	13.9
Kingston	2,753,987+	46,178	1.7
Total	$1,034,877,486+	$69,837,074	7.2

WESTERN CITIES

	Jan. 31, 1924	Change	%
Winnipeg	$180,894,648+	$5,802,825	3.3
Vancouver	66,363,854+	6,659,537	11.2
Calgary	31,472,446+	9,737,987	45.1
Edmonton	21,113,610+	1,816,870	9.4
Regina	14,928,659—	346,226	2.2
Victoria	8,011,612—	1,260,309	13.5
Saskatchewan	7,497,355+	896,164	13.5
Moose Jaw	5,055,479+	108,240	2.2
Ft. William	3,632,403+	275,724	8.2
Lethbridge	2,485,623+	32,368	1.3
N. W'minster	2,344,224+	479,268	25.1
Brandon	2,175,756—	214,378	8.9
Medicine Hat	1,528,670+	205,774	15.5
Prince Albert	1,480,266+	24,764	1.7
Total	$ 348,984,607+	$24,257,908	7.4
Grand total	$1,383,862,093+	$94,094,982	7.3

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EXTRACTS FROM 1923 REPORT:
Business Issued $13,903,185
Business in Force 65,796,389
Payments to Policyholders 700,060
Income 2,650,093
Assets 9,386,469

The Year 1923 shows excellent progress in all departments of the Company's business. Through a material reduction in the expense rate, the most favorable mortality experienced in the Company's history, and the very satisfactory return of 7.09% on invested funds, the Company is able to report record surplus earnings of $473,143 and to announce another increase in dividends to policyholders.

GROWTH IN FIVE YEARS
	1918	1923
Business Issued	$ 6,290,755	$13,903,185
Insurance in Force	26,543,570	65,796,389
Income	1,246,830	2,650,093
Assets	5,493,106	9,386,469

Agents throughout Canada

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

FEBRUARY 8, 1924

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

WHAT FREEDOM IS

"FREEDOM" is one thing; preaching the destruction of our present system of civilization is another. The first can be intellectual; the second is political; but between the two there is a great gulf fixed. "Freedom," in the sense of objecting to restraints, finds a fertile soil in the minds of youth: youth is naturally rebellious, and we can make all allowances for it. When it happens that the idealism of youth is taken advantage of by unscrupulous agitators; when youthful objection to restraint is influenced into lines of thought subversive of the established order; and this by persons of more than doubtful antecedents in international activity, then common-sense demands some measure of protection—not to oppose intellectual freedom, but to expose this trading on young and impressionable minds by glib-tongued agents of mischief.

We learned during the war just what enemy propaganda meant; we saw how patriotic efforts could be hindered and even utilized by enemy interests. The ease with which some people have forgotten all the war lessons is disquieting. It is no alarmist doctrine to say that the forces which worked against Canada and the Empire during the war, and for almost a generation before it, are as powerful and well-directed to-day as ever. There is more than the sting of defeat to avenge, there is the fight which is necessary to secure industrial openings and regain economic stability. If propaganda of any kind, "woolly" or "pacifist," will help to keep unsettled the political and industrial conditions of Canada and the Empire, that propaganda will be used—and the enemy interests which fight industrially as well as politically will get the benefit.

We need a rest from industrial troubles, and from political uprisings. The world has had too much of them. The constructive need of the day is work, not agitation which plays into the hands of our opponents at every turn.

EUROPEAN DEVELOPMENTS

INFORMATION recently to hand from trustworthy European sources bears out the accuracy of the indications given by THE FINANCIAL POST during the past few months with regard to French policy.

With skill and pertinacity, and apparently with a growing measure of success, France is gradually gathering into her own hands the leading strings which will enable her to direct the policies of the newly formed countries of Central Europe, and thus to dominate the European political situation. Not only does it appear possible that Russia may fall under her sphere of influence, but the German industrial leaders appear to have arrived at the conclusion that, as she is evidently determined to retain her grip on the Ruhr, it is to their own interests to come to terms and to work in co-operation with the leaders of French industry. The Ruhr needs Lorraine iron, and Ruhr coke is indispensable to the Lorraine furnaces. Sentiment must in such a case give way to economic necessity.

It may be worth while to indicate briefly the broad lines along which French policy appears to have been directed. From the German viewpoint it consists of building around Germany a rampart of nations friendly to France. The first step has been the Czecho-Slovakian treaty of which much has been lately written. By the French it has been referred to as a defensive alliance, but seeing that the Czecho-Slovakian army is organized and commanded by French officers there is not much doubt but that the convention is military in character. Poland, practically a vassal of France, is the next link in the chain. She is indebted to France both morally and financially and would not be likely to resist any plan made by her protector. Next comes Jugo-Slavia who fears Italy and would no doubt gladly seize the opportunity to gain French support.

Soviet Russia, though now recognized by Britain, is still confronted with the unfriendly attitude of the American government, and might feel inclined to make sacrifices to gain the official recognition of the greatest military power in Europe. Roumania dreads Russia and if an alliance with France would remove all fear of an attack from the Soviet government she would not hesitate. Greece, it appears, will for the present, at any rate, be strongly influenced by Venizelos, and his friendly feelings to France are well known.

Turning finally to Germany, there are promising signs of a return to normal conditions in the Ruhr. The doles paid by the German government to the unemployed were the mainstay of the passive resistance. These doles are now to be distributed in cases approved by General Degoutte. The Germans are bringing back the locomotives and cars, the railway lines are being rapidly repaired, and traffic is increasing daily. Most of the German employees have been reinstated and are wearing German uniforms. German capital is being offered for the development of French undertakings, and Stinnes and his group have been in Paris recently. Some leading German bankers have made proposals to French financial houses, and one French bank is about to be bought up by a German group.

Despite the fall in the value of the franc, France is prosperous, and there is no unemployment. To-day the register of unemployed for the whole of France contains only some 500 names and one-fourth of these are women.

France's aim thus appears to be to make herself independent of the Allies, and if she succeeds in her political aims it would be impossible for Germany to attack her without herself risking an attack in the rear by France's friends.

Having by this means made herself secure she will be at liberty to devote her energies to her industrial development in co-operation with Germany, in which connection an agreement, as mentioned in THE POST some months ago, had already been drawn up—and Great Britain appears to be left holding the sack.

When business settles into its stride, Canada, Britain and the United States will undoubtedly begin to feel the pressure of Franco-German competition.

SOLDIER ATTITUDE TO GERMANS

WHEN the St. Catharines Chamber of Commerce sent out a protest against the admission of German agricultural settlement in Saskatchewan and asked the Boards of Trade and various organizations throughout Canada to support them, THE POST pointed out that there were some inaccuracies in the information on which they based their appeal and suggested a more careful enquiry.

Many persons thought that the Returned Soldiers' Organizations would strongly support the exclusion policy, but almost unanimously the branches throughout the Dominion have gone on record on practically the same lines as suggested by THE POST—that careful investigation should be made before opposing the settlement.

Now we have the organ of the Canadian forces, "The Military Gazette," edited by Colonel A. T. Thompson, ex-M.P., who with his two sons, served during the war. Few families have suffered as they have. In a signed editorial in the latest issue of "The Gazette," Colonel Thompson takes practically the same view as THE POST. The article will be found in another column.

THE CHARGES AGAINST OUR PAPER MAKERS

THE charge has been made at Washington that some Canadian paper mills have been guilty of sharp practices in shipping into the United States as newsprint a grade of paper that does not technically belong to that class. This is a serious charge, involving the high repute of the leaders in Canada's greatest exporting industry. The paper men deny the charge unequivocally, and the fact that newsprint paper is not often made in the same mill or by the same company that manufactures higher grades of paper lends weight to their denial.

The charge, demonstrates, however, the necessity for the highest possible standards of practice being maintained in the paper industry in order that American paper makers may never have an opportunity to point to any suggestion of unfairness from their Canadian competitors. It is not entirely a question of honesty, but also one of care, for careless work in making out customs declarations would react unfavorably just as much as a deliberate intent to deceive.

American newsprint manufacturers are carrying on a strong campaign to have a duty put on Canadian newsprint going into the United States. They are very active at Washington at the present time and much propaganda is being disseminated. It is hardly likely they will win out in their case; the daily press of the United States would undoubtedly resist any attempt to make publishers pay millions of dollars extra for paper just to protect a few decrepit mills that cannot compete with Canadian paper. But with such a campaign going on, Canadian paper manufacturers benefit from the fact that they are going into the fight with clean hands and they will want to retain the point of vantage in which this fact puts them.

TRUCK CREATES A NEW ROAD PROBLEM

THE development of the automobile and the truck have tremendously stimulated the improvement of the highway in the interests of farm transportation. But, even before these facilities came, the roads were in many respects the most important medium of transportation to the farmer. And they promise to continue so because over the highways must pass practically every pound of surplus production of every farm in the country. These things were emphasized by J. R. Howard, president National Transportation Institute, before the annual convention of the American Farm Bureau Federation; he added:

> Highways are as fundamentally essential in the marketing of the farmers' crops, as are the crops themselves fundamentally necessary to the industries of the nation. The American Farm Bureau Federation has from its beginning been committed to that form of highway improvement which recognizes the necessity of the building of farm-to-market-roads. Any system of road building which does not recognize the primary importance of the farmers marketing is not upon a sound economic basis. Any form of financing the buildings of highways which does not return to the farmer tax payer an improved facility commensurate with the assessment which he may directly or indirectly pay is fundamentally wrong. It is taxation without representation.
>
> Bond issues on long time amortization may well be adopted for the financing of improvements which are permanent, but the bonding of future years for road improvements which must of certainty perish before the expiration of the bond issue is unsound, and will only result in a tax burden which will be oppressive in the coming years.
>
> There can be no doubt but that the use of the motor truck in transportation will rapidly increase. More than 65 per cent. of the milk used in the city of Milwaukee is delivered by truck. The increasing delivery of livestock at such market centres as Sioux City and Indianapolis, and the moving of fruit from the farms of Michigan and New York to distant markets, is indicative of tremendous future development. This is as it should be, particularly if it be true that the short haul, and the less than carload shipment of freight is unprofitable to the railroad. But some system not yet fully worked out must be devised whereby the motor carrier pays a full compensation for the use and up-keep of the track over which it travels. Careful studies need to be made to ascertain more fully than has yet been done to what extent highway transportation may profitably be expanded and at what point other forms of transportation are more economical.

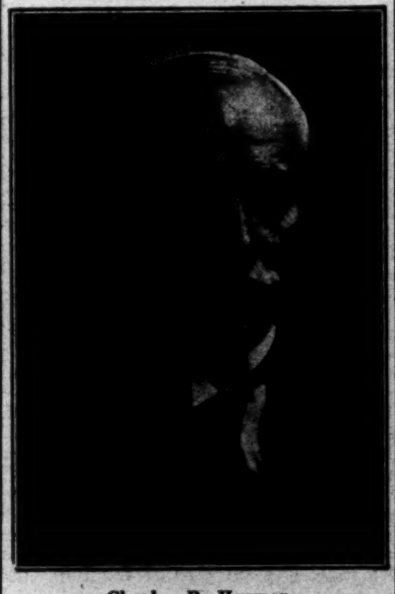
Canada, even perhaps more than the United States, is interested in this transportation question, because of our large areas and sparse population. In Ontario, where fortunately the blunder of building millions of dollars' worth of additional railways has been avoided, the Government has announced that consideration is being given to this question of making the motor trucks pay their share for the building and upkeep of the roadways. Such a levy on commercial cars is justified because the roads bill is greatly increased in providing satisfactory facilities for heavy trucks and because gasoline transportation is becoming a competitor of steam transportation and the railroads maintain their roadbeds out of their revenues as part of their operating costs.

SIR CLIFFORD SIFTON makes the suggestion that the northern parts of Ontario and the western prairies be settled by clearing a portion—fifteen acres or so—in each quarter section and putting on each clearing settlers such as could be secured in Europe by the hundreds of thousands—married men with families, competent agricultural people whose forefathers have been thrifty farmers for generations. Any suggestion of Sir Clifford having to do with immigration and settlement should have the full consideration of those who now have in hand the administration of these affairs which he so effectively handled when Minister of the Interior.

Coteau's Telegraph Operator is Now a Giant of Business

Charles R. Hosmer, Son of a Yankee Pioneer in Canada, Walked Tight Wire of Telegraphy to Mighty Achievements in Finance and Commerce

By FLOYD S. CHALMERS.



Charles R. Hosmer

A thin strand of copper wire linked Charles R. Hosmer with fortune. He is one of the old-time telegraphers of Canada who have made good in business. In the case of Charles Hosmer, the telegraph wire led him directly into the position of business and financial prominence that he occupies to-day. He achieved success at telegraphing. He began by tapping a key and ended as the vice-president of the world-wide chain of telegraph lines and stations that he had himself helped to build up. And, having gone as high as he could in telegraphing, he stepped out and into broader reaches of business: banking, milling, transportation, mining, pulp and paper, and other fields of business adventure and achievement.

A couple of years before Confederation, the twelve-year old Charlie Hosmer earned a few dollars a week by sweeping out the Grand Trunk Railway station at Coteau Landing. Coteau Landing is a quaint little French-Canadian hamlet near the Ontario-Quebec boundary line. Perhaps it was as large and important then as it is now, or is ever likely to be. But it produced two of Canada's biggest business men. One was Hosmer. The other was Edson L. Pease.

Hosmer Learns Telegraphing

Hosmer swept out the station and cleaned lamp chimneys and kept a few books while he was yet in short trousers. At his work he "listened in" to the "iddy-iddy-umpty" of the telegraph key, and he proceeded to learn what the "iddy's" and the "umpty's" placed together in a certain sequence were talking about. Studying at night it did not take him long to learn the Morse code, and to know what the operators were saying to each other. It did not take him long either to learn to send messages like the other chaps, and at the age of fourteen years he knew enough about telegraphing to become the operator in the general store at Coteau Landing.

The general store was kept by a Mr. Pease. One of his sons was Edson L. Pease. Hosmer taught telegraphing to Edson, and when Hosmer left Coteau Landing, Pease succeeded him. Edson L. Pease and Charles Hosmer became close friends, and it was Hosmer who prevailed upon the father and mother of Edson Pease to permit him to come to Montreal as a bank clerk. Edson L. Pease rose through the ranks until he became general manager and later vice-president of the Royal Bank of Canada, of which Charles Hosmer is the second largest shareholder.

Made His Men Measure Up

Young Hosmer must have been a good telegraph operator. This much is certain; at nineteen he was sent to Kingston to become manager of the local office of the Dominion Telegraph Company, and later he was sent to Buffalo. In the year he came of age, he was made superintendent of the system. As superintendent he taught telegraphy to hundreds of young men. He enforced a rigid discipline in all the offices under his care. "No Bohemianism" was the order he sent out to every man under him. The telegraph operators had to disobey the free and easy traditions of their job and obey the stern and efficient rules of the Chief.

Yet the stern disciplinarian won the hearts of every man in the service. One day a man in one of the offices passed a very uncomplimentary remark about Hosmer. The telegraph operator overheard the remark and, leaving his key, he took off his coat in preparation for the task of "knocking the block off" the man who made the remark about the boss.

As superintendent, Hosmer did not have to do any sending or receiving except in giving lessons to his men. But, although he was an actual operator for only a few years, he never lost his touch or his sense of picking up signals. To-day his office adjoins that of the Canadian Pacific Railway telegraphs in Montreal, and he can pick up a message at any time. As he told me once: "As years go by I do not seem to have lost my knowledge of telegraphing nor of the telegraph business, and I do not think anyone does."

A Fascinating Work

He added this word about the fascinations and privileges accorded the telegraph operator:

"I think the telegraph business has a certain fascination, and if it has any influence upon one's character, I think it broadens one's vision. For instance, a man working at one end of the wire in Canso and talking to the man in Vancouver cannot help but wonder and think what is going on in that district, and the same thing occurs between Canso and England. In fact, life-long friendships are very often made between men who are in daily intercourse of this nature, and who probably never meet in actual life."

In time, the Dominion Telegraph Company, of which Hosmer was superintendent, was merged into the Great North Western Telegraph Company. Then Hosmer left the company to organize the Canadian Mutual Telegraph Company, the Canadian end of the Mutual Union of the United States. This company had been formed to give sound opposition to the Western Union. Hosmer managed this enterprise for five years demonstrating rare managerial genius.

Chosen By Van Horne

Van Horne, who had chosen Shaughnessy as his purchasing agent, and men equally as promising for other important posts in the newly-born Canadian Pacific Railway, again demonstrated his ability to pick men. He was looking around for a man to head the Canadian Pacific Railway's telegraph system. The man he chose was Charles R. Hosmer.

It was under Hosmer that the C. P. R. telegraphs rounded out rapidly into one of the world's most important telegraph systems. In the thirteen years that he managed thtis enterprise he stretched it from coast to coast in Canada, and linked it with telegraph and cable connections that spanned the globe.

It was under Hosmer that the alliance with the Postal Telegraph Company and the Commercial Cable Company was effected. Van Horne was trying to link the C. P. R. telegraphs with the telegraph system of the Baltimore and Ohio Railway. He did not believe in the new-fangled notion of stringing telegraph wires along the public highways. He wanted his United States connections to be a railway telegraph system. Hosmer on the other hand saw the wider possibilities of a union with the Postal Telegraph System, then coming into prominence under John W. Mackay. Hosmer went ahead with plans for a union on this basis. Van Horne fumed and fretted until one day Sir George Stephen said to him: "You must have had some faith in Hosmer when you put him in charge of your telegraph system. Now let him have his way."

Van Horne took the advice, and the Postal Telegraph Company became the United States connection of the C. P. R. wires. The negotiations with Mackay established firmly the friendship between that American business giant and Hosmer. Later Hosmer was to perform services of real value for Mackay. When Mackay was having difficulty getting support for his telegraph and cable schemes in the United States, Hosmer undertook to make a market for the stock in Canada. This he proceeded to do in customary vigorous fashion, and the coup that established Commercial Cable and Postal Telegraph securities in Canada was a financial wonder of the last century. When the two companies were linked as the Mackay Companies, Hosmer became vice-president. He still retains that post, and Canada holds a large measure of control of the Mackay companies, and hence of an important world wire system.

Interested In B. C. Mines

During the time that he was building up a gigantic and efficient telegraph system for the C. P. R., Hosmer was broadening the scope of his own affairs. He invested in real estate and mining properties, and West Kootenay, along with the Gooderhams of Toronto. Many of his mining ventures were successful; some of them led him into losses. He was rapidly amassing a large fortune through vision and enterprise. By 1899 his private affairs had become so important that he resigned from the telegraph work to attend more strictly to his private interests. He had made a name for himself in the telegraph and cable world. He was to begin at the point that most men would consider a high pinnacle of success to achieve even greater things in finance and business.

When Charles R. Hosmer quit the telegraph business he was one of the most sought after men in Canada. His proven business ability, and his wealth of capital for investment were demanded by hundreds of propositions. Carefully he selected the propositions that appealed to him as soundest, and as likely to offer the best opportunities. This does not mean that he was a conservative investor. At that time he was one of Canada's greatest plungers. But usually he has studied the depth of the water and the formation of the rocks where he plunged, so he seldom lost out in a big way.

Not a Financial Genius

Hosmer has never been rated as a financial genius. To this day it is said that he dislikes having to analyze a balance sheet. Unlike his great friend, Sir Herbert Holt, who can read the inner secrets of a company in its financial statement, Hosmer leaves the balance sheets to someone who professes to understand them better than he does, and he judges industries and investments by horse sense.

When he did decide to interest himself in a proposition he went in with both feet. Take the case of Ogilvie Flour Mills: When W. W. Ogilvie died at the beginning of the present century the Ogilvie flour mills decided that the enterprise had grown beyond their proportions, and they looked around for someone to continue its growth to its proper and justifiable destiny. F. W. Thompson, then Western head of the enterprise, was brought to Montreal, and he induced Hosmer to step in and assume financial control of the company along with a few of his friends. Ogilvie was a fair-sized enterprise even in those days, but, to-day it is nothing less than gigantic. Under the shrewd direction of Hosmer as president, and such men as W. A. Black, who has grown up with Ogilvie and Hosmer, it has become the greatest flour milling enterprise in the British Empire. The mills have a capacity of over 20,000 barrels of flour a day, which is sold in Canada and two score other countries. The company owns its own chain of 185 elevators in Western Canada, and large terminal elevators at Montreal, Fort William, Medicine Hat and Winnipeg. The combined capacity of the elevators is close to 6,000,000 bushels of grain. And yet Ogilvie Flour Mills is only one of the successful companies that Hosmer has built, or helped to build.

Laurentide's Rise

Another company that has benefited greatly from Hosmer's wise counsel has been the Laurentide Company. This was Sir William Van Horne's conception, worked out with the American politician and financier, General Alger. Hosmer's friendship for Van Horne induced him to take an active interest in the company from its earliest days. At first it was a difficult fight to get the company on its feet But in later years the financial returns to Hosmer and the other investors in Laurentide have been little short of enormous Each of the holders of the original stock now holds six shares of the present stock, and this is selling around par.

In fact, every proposition that Hosmer is connected with may be regarded as a success. It is said that he keenly regretted the necessity of Consolidating Mining and Smelting Corporation passing its dividend three years ago, because it meant breaking the 100 per cent. dividend paying record of his companies. now "Smelters" is back on a dividend basis again, and Hosmer is happy, not so much because of the dividends he will draw, but because of th fact that it puts all his companies in the dividend column once more. "Smelters," by the way, was to a very great degree built up by Hosmer. He was interested in Rossland and West Kootenay when these mining camps were struggling

(Continued on page 18)

Truths About German Relief

Canadians whose philantropic tendencies are likely to be influenced by harrowing appeals now being made in some quarters for help for starving German children will find instructive reading in the two following extracts, both taken from the Toronto Globe of Feb. 2:

First Extract:

A campaign throughout Canada will be opened by the Canadian Friends of Soviet Russia to collect funds to provide relief for destitute German workers and their children, immediately, it was announced last night after a meeting held in the Labor Temple, at which Mrs. Florence Custance presided.

Recently Mrs. Custance returned from Chicago, where a meeting was held of representatives of radical organizations on this continent which were affiliated with an international organization, the headquarters of which are in Berlin, and the purpose of which is the collection of funds for the starving Russian workers and children during the famine.

Mrs. Custance announced that Russian trade unions would take over the homes established by the Berlin organization, and, upon the advice of its secretary, affiliated organizations were requested to turn their assistance toward Germany.

It is now proposed to collect funds through the usual channels—meetings, dances and bazaars—and, if possible, to open a kitchen in some German city, from which food would be provided for German workers and their children. The campaign will commence at once.

Second Extract:

(Special Cable to The Globe and The Chicago Tribune. Copyright, 1924)

Berlin, Feb. 1.—While the world at large is being asked for millions to feed the German children, one amusement place in Berlin last night took in more than 400,000 gold marks on wine and food and nearly 200,000 gold marks on admissions.

This enormous total of nearly $150,000 taken in in one night by one place of amusement is a good barometer of the way Germans to-day are spending their money.

The wine restaurants are asking as high as $20 for choice wines and they are selling quantities.

PERSONAL

HUME BLAKE, whose sudden death on the Col. Wood golf links at Victoria occurred this week, was known in financial circles in Toronto and throughout the country. He was a director of the Union Bank, a director of the Canada Trust Company, and chairman of the Toronto Advisory Committee of the Huron nad Erie Mortgage Corporation. He was a son of Hon. Edward Blake.

ROBERT L. ELLIS, recently the Montreal manager of Bank of Hamilton, becomes member of the Montreal Stock Exchange firm of J. M. Robinson & Sons, dealers in stocks and bonds, established in 1889. He began his career of banking 28 years ago, with the Bank of British North America, with whom he served for about 15 years at St. John, Frederickton, Hamilton, Winnipeg, Toronto, New York, London and Vancouver, acting manager at several of these points and when finally manager of the Bank of B. N. A. at Quebec, he was offered the Montreal management of the Quebec Bank. When this bank was absorbed by the Royal Bank of Canada, he became one of their New York agents, and received the appointment of Montreal manager of Bank of Hamilton, about 4 years ago.

City of Victoria, B. C.

5½% Coupon Instalment Bonds

Dated 1st February, 1924 *Due 1st February, 1933-1943*

Principal and half-yearly interest (1st February and August) payable at the Bank of Montreal, in Montreal, Toronto, Winnipeg and Victoria.

Bonds may be registered as to principal.

Denomination: $1,000.

Victoria is the capital of British Columbia and one of the wealthiest cities, per capita, in Canada. By reason of its location and climate, it is widely-known as a desirable residential city, but is also important as a seaport, both in regard to passenger and freight traffic on the Pacific Ocean.

For the year 1920, the vessels entering and clearing the port amounted to 4,461 with a gross tonnage of 4,000,866. In 1922 the number of vessels arriving and departing was 9,197 with a gross tonnage of 8,352,000. In 1923, 10,613 vessels entered and cleared the port with a combined tonnage of 9,878,483.

PRICE: Rate to Yield 5.63% - 5.57%
According to Maturity.

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The statements contained herein are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

PAYMASTER

Boston Subscriber.—I am interested to a considerable extent in the stock of Premier Paymaster Mines, and would appreciate your candid opinion as to any possibilities this company may have.

Premier Paymaster has a well-located property in Porcupine Mining camp, and is carrying on an aggressive development campaign. Some very rich ore was opened up on the 4th level, and sinking to open up the 1,000-ft. level is now progressing. It is hoped to cut the ore bodies, found on the 400 level, at the deeper horizon. The operation is in good hands, the equipment and plant are excellent, and finances seem ample.

STANDARD BANK

A. W. Alberta.—What chances has Standard Bank stock reaching 190?

Standard Bank stock has sold lower during 1923 in common with other bank stock, due to the uncertain position in the banking situation. An appreciation in the price of the stock may be expected with further revival of confidence in the whole financial situation. How soon this will be expected in the market is only a matter of guess work. The directors are: Wellington Francis, K.C.; F. W. Cowan, T. H. Wood, T. B. Greening, Robert Gray, A. R. Auld, T. Bradshaw, J. S. Loudon, Arthur F. White.

LAKE SHORE

Reader, Madison, Wis.—Will you please give me your opinion of Lake Shore common shares? I have been considering purchasing some but want your opinion first. Are there possibilities or indications of further development?

You will make no mistake in purchasing Lake Shore mining shares. They are quoted around $3.60, par value $1. The mine is efficiently handled; its mill enlargement has just been completed, and ore reserves are very heavy, estimated between fifteen and twenty millions. Lake Shore has never got around to intensive mining as yet. Its whole effort has been on development, yet it has managed to pay $1,000,000 in dividends from this development. The average gold content of Lake Shore has run consistently from $20 to over $30 per ton. Its capitalization is low, $2,000,000.

ASC INVESTMENT-SERVICE

Bond Prices Advancing

In view of the scarcity of Bonds and consequent strengthening of prices, this is a favourable time to sell short-term Bonds—government, municipal and corporation—at a profit, and reinvest in longer term securities of the same character, while they are obtainable at prices which give a satisfactory yield.

If you will send us a list of your short-term Bonds, we will advise "trades" advantageous to you.

Royal Securities
CORPORATION
LIMITED
164 St. James Street
MONTREAL
Toronto, Halifax, St. John, Winnipeg
Vancouver, New York, London, Eng.

BRAZILIAN TRACTION

Investor, Lethbridge.—I have 20 shares of Brazilian Traction common at about 50. Would you advise buying more to lower the percentage? It is about 45 now.

The earnings of Brazilian Traction have shown a tendency to increase and the improved position of the company has no doubt been a factor behind recent buying. However, the Brazilian exchange situation is still in an uncertain position and the future course of the common will be largely determined by this. A rise in the exchange a few days ago brought in considerable speculative buying. The directors are: Sir Alex. Mackenzie, K.B.E.; E. R. Wood, R. C. Brown, H. Malcolm Hubbard, E. R. Peacock, Miller Lash, K.C.; Maj.-Gen. Sir Henry M. Pellatt, C.V.O.; R. M. Horne-Payne, D. B. Hanna, H. F. Parshall, Hon. Sir Thomas White, Hon. F. H. Phippen, Clarence Dillon, Sir John Aird.

MORTGAGE SECURITIES

Business Man, Toronto.—I have been asked to buy stock in Property and Mortgage Securities and would appreciate your opinion upon it.

The purpose of the Property and Mortgage Securities, Ltd., is to buy up small houses and other properties in the City of Toronto, and, after renovating them, to sell again at a profit. So far we understand the company has realized considerable profit on this basis. However, the success of the company depends entirely on the ability and shrewdness of those directing its operations. The present officers have had considerable experience in this field, but, of course, there is no guarantee that they will continue their connection witht the company definitely. Consequently, the ultimate success of the company will depend largely on the personal factor. The overhead expenses of the company seem low. Of course, the stock will not be readily saleable should you desire to dispose of it at any time.

CLYDE AND SISSIBOO BONDS

Banker, Ontario.—A client of ours wishes a report on the Clyde & Sissiboo Pulp Co., first mortgage 6½ per cent., 20 years sinking fund gold bonds, due 1943.

The Clyde and Sissiboo bonds were guaranteed by Becker & Co. of London, Eng., and the output was sold under contract to the same company for a period of 20 years. When the Becher company failed some time ago, arrrangements were made by those in touch with the situation to dispose of the output elsewhere. Control was transferred to Ed. Lloyd, Ltd., a well-known English concern, through the common stock and this company has guaranteed payment of interest on the bonds as long as they hold control. The interest which became due Feb. 1 has been paid.

The company's plants are well situated and they are working at capacity at present. The Becker failure may affect the market on the bonds slightly for a time but the security behind the bonds appears adequate.

C. N. R. INCOME BONDS

Subscriber, Merritton.—Kindly state what you think of the Canadian National Railway 5% income charge debentures as an investment.

The Canadian National Railway income debentures mature in 1930 and as that date approaches the feeling is growing that the principal on these will be met by the Dominion government at that time. The bonds are secured by a mortgage on railway property which is now part of the National system, and, while the Dominion government is not legally bound in itself to meet this payment it is not likely that they will refuse to do so. However, should the railway be sold by the government to a private company, the holders of these debentures will have no claim on the government. In the meantime, of course, there is little possibility of any interest being paid, as it is likely that the Dominion government will continue to own the National Railway until at least 1930.

DOMINION STORES GAIN

Enquirer, Ontario.—Kindly give me your opinion of the class A preferred stock of Dominion Stores. I know they are reported as doing a good business but at present stock quotations it will yield around 9%, a rate of interest that looks too good to be true for an investment stock.

The success of chain store organizations in the past has depended largely on the individual organization and the men behind it. Several companies have run into difficulties on losing one or two of their valuable men. So far the Dominion Stores have operated successfully, and appear to be in a sound condition. The company already has a large number of stores in Ontario and Quebec. The net profits for 1922 were $100,092, which represented a substantial increase over those of 1921.

The stock is now listed which enables you to keep in touch with its market price. As the market for it is not wide, the prices quoted are lower than they would otherwise be. The directors of the company are Robert Jackson, W. J. Pentland, Robert W. Jameson, Morley Smith, John B. Jameson, W. P. Bate.

CANADA STEAMSHIP'S PROSPECTS

Investor, London.—Can you tell me what the prospects are for the Canada Steamship Co. improving its position?

While the prospects ahead of the Canada Steamships Company are improved, with the strong new interests behind it, it is likely that the shareholders will have a long wait before they can be assured of a return to former prosperity and a definite and continued payment of dividends.

The company has been going through a process of re-organization which has wiped out profits by taking losses on the sale of several properties. Among these were a number of ocean boats which were not profitable and heavy losses were taken in disposing of these. Moreover, the improvement in the shippings made on the Great Lakes, and the St. Lawrence, is costing considerable money.

The directors of the company are: W. H. Coverdale, president; J. W. Norcross, vice-president; Robt. Hobson; H. B. Smith, D. B. Hanna, Hon. J. P. B. Casgrain, George H. Smithers, Sir Henry W. Thornton, A. J. Brown, K.C.; F. W. Molson, Geo. Caverhill, Hon. Smeaton White, J. H. Fortier, C. E. Taschereau, and F. J. Humphrey.

WETTLAUFER

Subscriber, Walkerville.—Would you furnish me with information re Wettlaufer Mines? Do you consider this a good speculative project?

Wettlaufer mines would have a chance on the resumption of mining operations. That is about as far as we would like to go. Wettlaufer produced 2,564,584 ounces of silver and was then abandoned as worked out. The department of mines report states that it appears that there is practically one vein on the property which occurs in the top of the diabase, and does not extend into the overlying keewatin, and in this way differs from the adjoining Keeley where the veins occur in both the diabase and keewatin. From 1916 to 1919 the property was operated under lease, but no new veins found. The venture is to be regarded as more speculative than some of the newer operations in the camp. Wettlaufer has about $80,000 in its treasury.

It is hardly a good speculative project.

EDGCLIFF BATHING CO.

York.—I would like to know about a company being formed named Edgcliff Bathing Co., Ltd., and run by a man late of the L. R. Steel. Patrons are putting money in the same. Can the company be sound to invest in? Some reports do not seem satisfactory. The man does not own the property, only rents same. So many people have been gulled by such enterprises.

This is a speculative venture, as most amusement and theatrical enterprises are. It is dependent on good times and good weather and popularity. We understand that the company has a 21-year lease on the property and proposes to duplicate some of the resort beaches of United States centres. It will have a swimming tank as its chief attraction, and sell refreshments. A club house will be a subsidiary, with the company in control. Capitalization $40,000 preferred, and $40,000 common. Par value in each case $10. Half common has gone to the previous owner of some of the concessions, and holder of the lease. Stock being sold in units of one share of common as bonus, with two share of preferred.

A Sound Start in Investing

Ottawa.—I enclose a list of securities held and insurance carried. I would like to have your constructive criticism. We expect to have from $1,000 to $1,500 new capital to invest each year. What securities would you suggest that will provide good security and a reasonable yield? Security of course is the most important. What do you think of buying a few shares of Cement preferred, Sherwin Williams pref., Royal Bank, or had we better build up our bond list?

Regarding insurance, I have been considering taking out an additional government annuity, last survivor, covering my wife and myself, to come due in 1939, giving us $200 per year for life. This would cost us $148.30 per year for fifteen years. When the annuity would start we would be fifty-five years of age.

Securities held:—2, $1,000, 5%, 1943, Dom. of Canada. Bond; 1, $500, 5%, 1943, Dom. of Canada Bond; 1, $100, 5½%, 1934, Dom. of Canada Bond; 2, $1,000 6%, 1943, Province of Ontario Bond; 2, $1,000, 5½%, 1942, Province of Ontario Bond; 1, $500, 6%, 1935, Province of Ontario Bond; 1, $500, 5%, 1948, Province of Ontario Bond;—$7,600 in bonds. 4 shares Penmans preferred; 23 shares, common, C. P. Railway; 14 shares, common, Bell Telephone of Canada; 4 shares, common, Bank of Nova Scotia. In addition to the above, my wife holds $2,300, 5½%, 1934, Dom. of Canada Bonds. I carry insurance as follows:—$500 20-yr. endowment, due 1926; $1,000, 20-yr. pay life, due 1930; $4,000, 20-yr. ordinary life, due 1939; $2,000, 20-yr. ordinary life, due 1941. Gov. annuity of $200 per year, starting June 1939, payable during my life time, and twenty years certain in any event.

We live in a rented property, as it suits our purpose best for the present. We have no children.

P.S. I have purchased rights to 16 shares, new Bell Telephone stock at $3.75 each, which in addition to the 14 now held, will give me the right to buy 6 new shares at par $100. When these are paid in full, I will hold 20 shares Bell Telephone stock.

Few people make as conservative a start in their investment program as you have done. Your holdings as purchased are a model which many other investors might copy to advantage.

The first step in investing for a married man is life insurance. Your insurance to date is well placed and you might consider adding $5,000 more on an ordinary or limited pay life plan. This would leave you with $12,000 insurance after your endowment matured in 1926. You should not plan to take cash surrender values on your limited pay life policies when due, but accept instead paid-up policies. This will provide a cash fund to settle up your estate and meet the requirements of your beneficiaries for some time after your death. Should it be in a time of business depression it will then be unnecessary for them to sacrifice any securities in the estate.

Your government annuity is a good investment and the addition of a $200 per year annuity would be satisfactory.

You have a good foundation of Dominion and provincial bonds. These might be further extended by some bonds of one or two other provinces and a few municipal bonds. The stock issues which you hold are all good ones, as they represent companies with a long record of success in their respective fields.

There is one security which you have overlooked, that is the better class of industrial bonds. You might do well to secure some of these with the next funds available for investment. Obtain them from a well-established bond house and make sure that they are bonds of companies which have been in business for some time and demonstrated the ability to operate successfully at a good margin of profit.

If you have the time to look after them you might later add some first mortgages. These are not so salable as good bonds if you should want your money, but as you have a substantial reserve of bonds, this factor is not so important in your case now. To date you have maintained a high degree of security with a good rate of return. Continue this and you will have little cause for worry later on. Moreover, the cumulative results in later years should place you in an enviable position.

Canada Cement preferred, Sherwin Williams preferred and Royal Bank are all good stocks in their class.

Nine Mining Stocks

J. C., Hamilton. — Do you consider Hattie, Beattie, Vipond, Teck Hughes, and Newray good speculative buys? What about Consolidated West Dome Lake, Crown Reserve, Goldale, Tough-Oakes Burnside? Your opinion will be appreciated.

We do not consider Hattie or Beatty attractive speculations. Troubles have come upon them. These in no way reflect upon the property but rather have to do with the marketing of the stock. They have already figured in the courts, and may do so again. This has hurt the market, and it will take a long while for it to recover.

Vipond is now producing. Since you wrote there has been a material enhancement in the market price. The mine is steadily adding to its ore reserves, while talk of a big merger with adjoining properties adds to its value as a speculation.

We are a little bearish on Teck-Hughes. We think the present price discounts its speculative possibilities. At the present time it has one producing vein, has a bond issue outstanding, and must sink a new shaft and build a new mill, or buy Kirkland Lake Gold, which will likely cost the 500,000 shares in the treasury. There are well-informed mining speculators, who, on the other hand are favorably inclined to Teck-Hughes' possibilities. One feature of the issue is that it is well handled from a market viewpoint. The management is highly efficient.

Newray is a good speculative buy. It is being developed by Coniagas Mining Co. of Cobalt.

Consolidated West Dome has been the subject of many rumors in regard to the financial position of the company, and this has hurt the market. The secretary of the company says the amount to come in from the stock options is ample for the development program, which is expected to bring the mine to the producing stage.

Crown Reserve is a speculation of merit. The property is excellent. Plans to finance a mill should soon be announced.

Goldale we would rank as just a little better than Newray. Its development program is farther ahead, its management just as efficient.

Tough-Oakes-Burnside has merit. Developments on the Burnside and of the property have been excellent and sufficient to warrant the resuming of milling operations at any time.

CURRENT OPINION

THE RELIABLE FORECASTER

(Boston Commercial)

What has become of the Ouija board for solving life's problems? Has it been supplanted by the Babson Statistical Organization?

WHY NOT?

(Orillia Packet)

While the use of postage stamps on cheques and receipts prevented the Government from distinguishing postal and excise revenue, there seems to be no reason why the Postoffice should not sell revenue stamps, for the convenience of the public. As it is, people often find difficulty in procuring these stamps, particularly in the country and after banking hours. The Customs Department might even allow the Postoffice Department a small percentage for the service.

A GERMAN INVASION OF CANADA

(Military Gazette)

Those who read the above title need not be too seriously alarmed.

The threatened invasion is along the lines of "peaceful penetration," for the Bosch is far too busy at home to meditate the sending of armed legions across the Atlantic, convoyed by a fleet he has not got.

Some few months ago the Dominion Government decided to let down the bars to admit German immigrants.

We argued the question then at some length and reached the conclusion that, while from the sentimental standpoint this was none too pleasant, from the economic one it was quite all right, and that we could not afford to be sentimental. What we need in this country is more population of an industrious frugal kind, to go on the land as producers, more backs to help us carry the burden of heavy taxation. A recent dispatch has stated that three thousand German families are to be settled in Saskatchewan.

This has aroused opposition in the loyal city of St. Catharines, and we are informed that its Chamber of Commerce has sent out strong protests against their admission, to Ontario Boards of Trade, the Prime Minister, the Immigration Department, and the Regina Chamber of Commerce.

As we have already intimated we can quite sympathize with the St. Catharines Chamber of Commerce, from the sentimental side, but there we part company.

Even from the point of sentimentality the case is none to strong. The Germans who are coming are from the humble, hardworking classes. Were they swash-buckling Junkers it would be entirely another matter, but they will be drawn from those who had no more to do with starting the war than we had, from people who have suffered from it quite as much, we fancy vastly more, than we ourselves have done.

We are informed by the Press that the St. Catharines protest sets forth that Britishers are available in large numbers, and can be secured if the proper effort is made, and that "in any event it is more desirable to have sound and sturdy immigrants from the agricultural nations of Scandinavia and Denmark, than to assume into the national life of Canada an indigestible mass of German kultur."

If sufficient immigrants of the proper class can be got from Great Britain, all will agree that that would be most desirable, but can they? We doubt it very much.

Unemployment in Britain is rife, and there is no doubt but that thousands of the unfortunate there would gladly come to our more prosperous country, but these people would be drawn very largely from city areas, and would be most unfitted for the pioneer life proposed for these prospective German immigrants.

The people who can make good in our West must be both industrious and frugal. At present prices farm profits there are at a minimum, and it is only those who can produce cheaply and live cheaply who will weather through to better days.

Of all the people we know German agriculturalists are most likely to do this. They usually have large families, in which each member works, from the oldest to the youngest, thus eliminating the great expense of hired help. They are accustomed, too, to live more cheaply than do most other people, another great factor in their favor in such a fight as this.

We are not speaking from imagination, but by the book. We have many German settlements already in Ontario, and where can more prosperity be found, prosperity the direct result of that hard work and frugality which we have been stressing.

Three thousand Germans or thirty thousand, or three hundred thousand, for that matter, will not turn Canada into a German nation. We need just such people as these; by all means let us have them.

Bell Telephone Rights

Bought, Sold and Quoted.

We shall be glad to give holders, at their request, information on these rights.

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It offers an unusually wide list of good bonds at attractive prices. The "Odd Amount" section describes a number of sound Municipal bonds in denominations ranging from $150 upward.

Copy gladly mailed upon request.

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Telephone Main 4280.

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We are buyers of

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6% Bonds due April 1, 1924

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21 JORDAN STREET - TORONTO

For February Funds

In view of the fact that there is no more large financing contemplated in the near future, it is almost certain that there will be a marked scarcity of high-grade Government and Municipal bonds, and we would advise that you take advantage of the attractive investment opportunities which are now available.

To those anticipating funds in the near future, we would suggest that our new February Bond List contains a wide range of bonds worthy of your immediate attention.

We would be pleased to forward a copy upon request.

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Offer $150,000.00 of 7% First Mortgage 20 year Sinking Fund Gold Bonds

Dated Dec. 1st, 1923. Due Dec. 1st, 1943. In Denominations of $100 and $500.

The average annual earnings of this Company over the past six years have been sufficient to pay the interest three times over on this issue. The Assets securing this issue are valued by independent appraisers at more than three and one-quarter times the amount of this issue.

The history of the Company is a fifty-year record of steady growth and prosperity.

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Castle-O'Brien Silver Area Attracts Large Interests

We now have in course of preparation a survey map of the Castle-O'Brien Mines section of Gowganda. This section already has produced many millions of ounces of silver, and is considered the most productive area in this district.

Prominent engineers agree that geological conditions in this highly productive section of Gowganda are very similar to those existing at the Keeley and Mining Corporation Mines in South Lorrain.

Those desirous of obtaining this new map should file applications with us at once.

Arthur E. Moysey & Co.
EST. 1904. LIMITED
242 BAY STREET - TORONTO

NEWS AND VIEWS ABOUT BONDS

LESS ACTIVITY IN BONDS THIS WEEK; PRICES ARE FIRM

Alberta Borrows $2,000,000 for University Financing

The bond market has shown a tendency to slacken during the past week. Buying from private investors and institutions has been reduced and trading is "dead." In spite of this prices have shown little sign of weakness. Victory loans are selling at the same levels, except for the tax-exempt 1933-1937 issues, both of which showed drops of 10 to 15 cents. While most of the Canadian National Railway issue has been disposed of, local agents and salesmen are still working on the balance. The absence of any material change in commodity prices and the prevailing rates on call money lead many to conclude that no great change in bond prices may be expected immediately.

Prices in New York have remained practically unchanged, but there is an under-current of uncertainty in some quarters. Some well known bankers are known to feel that prices may react slightly.

Offer Alberta Issue

The outstanding incident of the week was the purchase by a syndicate composed of Wood, Gundy & Co., Dominion Securities Corporation and A. E. Ames & Co., of $2,000,000 province of Alberta bonds. The bonds are issued on account of university financing. They bear interest at 5 per cent., mature in February, 1940, and are being offered to the public at 97.60 to yield 5.30 per cent.

United Counties Issue

The united counties of Stormont, Dundas and Glengarry awarded an issue of $146,463.62, nineteen equal annual instalment bonds, bearing 5 per cent. interest, to Matthews & Co. at 98.09. The bids were:

Matthews & Co.	98.09
Harris, Forbes & Co.	97.98
Nesbitt, Thomson & Co.	97.79
Wood, Gundy & Co.	97.78
A. E. Ames & Co.	97.70
R. A. Daly & Co.	97.52
National City Co.	97.46
Dominion Securities	97.33
Gairdner, Clarke & Co.	97.788
Mackenzie & Co.	97.37
McLeod, Young, Weir	97.37

Award Cobourg Issue

Stewart, McNair & Co. were awarded a town of Cobourg 5½ per cent. bond issue of $113,829.98 20-year serial debentures dated December 1, 1923, at 101.65. The tenders were:

Stewart, McNair, Read Co.	101.65
Bain, Snowball & Co.	101.517
Housser, Wood & Co.	101.559
Goss, Forgie & Co.	101.48
Birkett & Co.	101.11
Municipal Bankers Corp.	101.09
McNeill, Graham & Co.	100.52
Wood, Gundy & Co.	100.89
A. E. Ames & Co.	100.71
Bell, Gouinlock & Co.	100.75
R. A. Daly & Co.	100.92
Gairdner, Clarke & Co.	100.13
Matthews & Co.	99.22

Brockville Sells Bonds

A town of Brockville issue of $64,465 5½ per cent. 10-instalment bonds has been awarded to Dominion Securities Corp. at 100.62. The money is costing 5⅜ per cent. Tenders received were as follows:

Dominion Securities Corp.	100.62
R. A. Daly & Co.	100.52
Gairdner, Clarke & Co.	100.46
Nesbitt, Thomson & Co.	100.38
Bain Snowball & Co.	100.38
Bell, Gouinlock & Co.	100.27
Housser, Wood & Co.	100.26
National City Co.	100.26
Dyment, Anderson	100.16
W. C. Brent & Co.	100.16
McLeod, Young, Weir & Co.	100.07
Hanson Bros.	100.065
Wood, Gundy & Co.	100.04
Bird, Harris & Co.	99.76
A. E. Ames & Co.	99.62
C. H. Burgess & Co.	99.57
MacKay & MacKay	99.50
W. A. MacKenzie & Co.	99.21

Buy Campbellford Issue

Bain, Snowball & Co. purchased an issue of $28,800 town of Campbellford 5½ per cent. 30-instalment bonds at 101.52 yielding 5.36 per cent. The bids were:

Bain, Snowball & Co.	101.52
C. H. Burgess & Co.	101.46
Dyment, Anderson & Co.	101.29
Bell. Gouinlock & Co.	101.27
A. E. Ames & Co.	101.03
R. A. Daly & Co.	101.03
Municipal Bankers Corp.	101.081
MacKay-MacKay	101.
Matthews & Co.	100.81
Nesbitt. Thomson & Co.	100.59
Wood, Gundy & Co.	100.58
Bird, Harris & Co.	100.58
Goss, Forgie & Co.	100.55
H. J. Birkett & Co.	100.28
Macneill, Graham & Co.	100.27
McLeod, Young, Weir & Co.	99.11
W. C. Brent & Co.	98.79

Bids on Walkerville Issue

The bids on the three Walkerville 15, 20 and 30 year instalment 5 per cent. bonds, sold last week, were:

A. E. Ames & Co.	95.31
Bell, Gouinlock & Co.	94.76
Wm. C. Brent & Co.	95.071
C. H. Burgess & Co.	95.78
Geo. Carruthers & Son	96.07
Gairdner, Clarke & Co.	95.57
Aemilius Jarvis & Co.	94.466
W. A. MacKenzie & Co.	95.34
Macneill, Graham & Co.	94.11
McDonagh. Somers & Co.	95.01
McLeod, Young, Weir & Co.	92.06
Nesbitt, Thomson & Co.	95.213
Wood, Gundy & Co.	95.89

Buy Cayuga Bonds

Bird, Harris and Company have been awarded an issue of $12.000 5½ per cent. 20 installment bonds of the town of Cayuga at 99.77.

The bids were:

Bird, Harris & Co.	99.77
C. H. Burgess & Co.	99.33
Macneill, Graham & Co.	99.27

Tisdale Award

Township of Tisdale awarded its issue of $83,000 6 per cent. bonds to Wood, Gundy & Co., at 104.417. The list of tenders is as follows:

Wood, Gundy & Co.	104.417
Macneill, Graham & Co.	104.23
A. E. Ames & Co.	104.19
Dyment, Anderson & Co.	104.02
McLeod, Young, Weir & Co.	103.90
C. H. Burgess & Co.	103.87
MacKay-MacKay	103.62

Buy Mitchell Bonds

An issue of bonds of A. Burritt & Company, guaranteed by the town of Mitchell, Ont., for $75,000, bearing interest at 5½ per cent., and maturing 1930 to 1944, was awarded to L. M. Green & Company at 98.27.

The tenders were:

L. M. Green & Co.	98.27
Matthews & Co.	97.78
Bell, Gouinlock & Co.	97.27
R. A. Daly & Co.	96.
McLeod, Young, Weir & Co.	94.11

January Bond Sales

Canadian permanent financing in January totalled $80,354,915. Of this amount $63,354,915 was sold in Canada and $17,000,000 in the United States. The record is as follows:

JANUARY BOND SALES	
Provincial	$ 8,300,000
Municipal	21,544,915
Corporation	510,000
Railway	50,000,000
Total	$80,354,915
Where Sold In Canada	
Provincial	$ 2,000,000
Municipal	10,844,915
Corporation	510,000
Railway	50,000,000
Total	$63,354,915
In United States	
Provincial	$ 6,300,000
Municipal	10,700,000
Total	$17,000,000

DOCTOR MUST PAY FOR BONDS HE PURCHASED

McCurdy & Co. Awarded Decision by Court; Transfer of Property Declared Illegal

From Our Own Correspondent.

ST. JOHN, N.B.—By an important court judgment, Dr. F. H. Neve and his wife, E. Winifred Neve, of St. John, have lost to F. B. McCurdy and Company, stock and bond brokers, what is indicated to be the finale in a series of suits.

Neve disappeared owing the company $39,000, for purchases of stock and bonds. The company instituted action against the physician to recover the amount of the indebtedness. It was then found that Neve had transferred the major portion of his real and personal property, including real estate, motor car, stock and bonds to his wife. Thereupon, the brokerage house obtained an injunction, to prevent the woman from selling the property, in entirety or in part, on the ground that such sale would be to defraud the creditors of the absconding debtor. Mrs. Neve fought the injunction strenuously, but her efforts proved futile.

The company then brought suit to have the transfer declared illegal, on the ground that the transfer was made to defraud the creditors. After litigation that has consumed about a year, the judgment of the court is that the plaintiff concern's contentions are just, and that the real estate be again vested in the husband, as well as the stocks and bonds and bank deposits and that $2,875, which Mrs. Neve received for the car and household furniture be paid to the Canada Permanent Mortgage Corporation. In a preliminary suit, F. B. McCurdy and Company secured a verdict against Neve for the total indebtedness.

La Presse Sells $400,000 of Bonds on Its Plant

From Our Own Correspondent.

MONTREAL.—La Presse, a local French-Canadian newspaper, has sold $400,000 of consolidated mortgage bonds to the Commercial Union Assurance Company.

Recently, La Patrie sold $500.000 of bonds to the Royal Securities Corporation.

Council Decides Use of Premium on Bond Sales

The problem of deciding what to do with the money received as premium on sales of municipal bonds has been engaging the attention of officials of the city of Ottawa. The city realized $55,000 premium on a recent sale. The prevailing opinion is that it should not go into the general expenditure account, but rather be used to reduce the interest and sinking fund rates. A proposal has been made by Controller Tulley to use the fund for an amortization of the debenture debt. He also advocates a re-adjustment of taxation to place the city on a cash basis.

INTEREST IS BIG ITEM IN EXPENSES OF ALL PROVINCES

Heavy Increases Not Limited to Western Provinces

From Our Own Correspondent.

OTTAWA.—In the report on the revenue and expenditure of provincial governments during recent years just issued by the Dominion Bureau of Statistics, it is shown that the largest increase in expenditure has been due to "interest."

It is shown that the per capita expenditure of the provinces went from $3.43 in 1906 to $6.71 in 1916 and to $11.69 in 1921. In the case of "interest", the increase has been from $7,817,814 in 1916 to $19,818,266 in 1921. And the more the comparison is brought up to date the worse it appears. For example, it is shown that in 1922 the "interest" payment by eight of the nine provinces, that of Alberta not having been obtained, the total payment was $32,950,000. As that province in 1921 paid $2,306,246 in interest, and as the payment during the following year would, if anything, be more, it is plain that the total payment for interest by all the provinces in 1922 was approximately $26,900,000, an increase of nearly 300 per cent. during six years.

This is one reason why taxes are high. It is also apparent that the full weight of taxation is not disclosed by the per capita figures for federal taxes.

The burden that provincial taxes are imposing on business is to be seen in the fact that between 1916 and 1921 the tax on corporations increased from $7,217,548 to $18,360,120; while the revenue on licenses and permits increased from $3,785,769 to $14,271,483.

The Bureau's report dispels the illusion that it is in the western provinces alone where increase in expenditure has taken place during the last six or seven years. In Nova Scotia there was an increase in the per capita expenditure from $4.25 in 1916 to $8.93 in 1921; in New Brunswick the increase was from $4.25 to $8.85; in Ontario it was from $4.67 to $9.74. In Manitoba expenditure per capita went from $11.10 in 1916 to $16.49 in 1921; in Saskatchewan from $8.12 in 1916 to $16.04 in 1921; in Alberta from $12.12 to $22.28; in British Columbia from $22.05 in 1916 to $29.05 in 1921.

Montreal Tram Power Offering on Monday

MONTREAL.—Offering of Montreal Tramway and Power ten-year bonds is planned for Monday next. The offering will be made by a large syndicate, chiefly French-Canadian bond houses, headed by George Beausoleil and Company. It is expected that the bonds will be offered at 99.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi, 6%, 1940	..	97
Alabama 5%, 1962	69	..
Algoma Steel 5%, 1962	..	33¼
Ames Holden 6%, 1947	45	..
Belding 5%, 1936	86	88
Brandram Henderson 6% 1939	88	..
Belgo Can. Paper 6% 1943	96	..
Brompton 8% 1941	108	110
Brompton 6% 1939	96¼	99
Burns, P. & Co. 6¼% 1943	97¼	99¼
Bay Sulphite 6¼% 1943	..	..
Calgary Brewing 5% 1942	76	79
Can. Steamship Lines 7% 1942	..	94¼
Can. Light & Power 5% 1949	74¼	75¼
Consumers Gas 6% 1935	85	87¼
Can. Nor. Rly. Income 5% 1930	50	52
Can. Steel Foundries 6% 1936	97¼	..
Can. Car (Scrip) 6% 1927	97	..
Dom. Iron 5% 1939	70¼	71¼
Davies, Wm. 6% 1942	85	87
Dom. Power 5% 1932	91	..
Dom. Textile 6% 1949	102	..
East Koot. Power 7% 1942	97¼	..
Fraser Co. 8% 1941	103	..
Frontenac Brewery 6% 1951	..	84
G.T.P. 4% 1955	72¼	..
G.T.P. Sup. 4% 1955	73¼	..
Holt, Renfrew 6¼% 1937	..	96
H. Smith Paper 7% 1941	98	98¼
H. Smith Paper 6% 1934	98¼	..
Lake Sup. Paper 6% 1941	103	..
Laurentide Pow. 5% 1946	96¼	98
Laurentian Pow. 6% 1936	95¼	98
Maple Leaf Milling 6¼% 1943	99	101
Maisonneuve 5% 1954	..	..
Man. Power 7% 1941	100	100¼
Mattagami 6% 1937	60	..
Mattagami Deb. 7% 1949	22	27
Montreal Tram. 6¼% 1924	102¼	..
Montreal Pub. Ser. 5% 1942	81¼	82¼
Montreal Pub. Ser. 6¼% 1924	99	100¼
Montreal Steel Works 6% 1940	99	..
Montreal W. & P. 4¼% 1932	89	..
Montreal W. & P. 5% 1932	..	..
Nor. Ont. Power 6% 1931	91¼	92¼
N. S. Steel 6% Deb.	71¼	76¼
Ottawa Gas 6% 1939	100	..
Ottawa Gas 5% 1934	..	99
Ontario Pulp 6% 1931	103	..
Price Bros. 6% 1943	99¼	..
Paton Mfg. Co. 6% 1953	90	93
Provincial Paper 6% 1940	99¼	100
Porto Rico Ry., 5% 1962	..	..
Quebec Power 6% 1953	94¼	94¼
Quebec Jacques 5% 1931	84	90
Shaw. Cotton 6% 1949	75	81
Shawinigan 5% 1934	101¼	..
Shawinigan 5¼% 1950	100	..
Shawinigan 6% 1950	103¼	..
South Canada Power 6% 1948	99¼	99¼
Spanish River 8% 1941	106¼	107¼
St. Maurice Power 6¼% 1953	104	..
Toronto Power 5% 1924	99¼	100
Wabasso Cotton 7% 1947	97¼	98¼
Windsor Hotel 6¼% 1943	100¼	101
West Koot. Power 6% 1940	99¼	..
West Power 5% 1949	86¼	87¼
West. Power 7% 1926	96	..
West Quebec Pow. 6¼% 1931	..	86
Winn. Elec. 6% 1943	91¼	93

BOND MOVEMENTS OF THE WEEK

Week Ending February 5

Bonds	Int. Rate	Due Year	Yield	Range 1923 High	Low	Range 1924 High	Low	Latest Price Ask	Bid	High	Low
Canada Bread	6	1941	6.00	100	96	100¼	99	—	100	100¼	100
Consolidated Rubber	6	1946	6.05	102⅝	98⅝	99	98½	99	97⅝	99	—
Can. Cottons	5	1940	5.90	90	85⅝	90	90	89½	—	90	—
Lyall Cons.	6	1932	7.55	97	86	90	88	—	88	90	—
Montreal Trams.	5	1941	5.70	92⅝	87½	93	91¼	—	90½	93	—
N. S. Steel	5	1959	6.05	92	84⅝	84½	84½	87	—	84½	—
Quebec Railway	5	1939	6.85	83½	68	83	80	82	81⅝	82	81⅝
Dominion Iron	5	1929	7.55	94	84⅝	87⅛	85	88½	87	87⅛	86
Steel of Can.	6	1940	5.85	102½	99	101½	101	101½	101	101½	—
Wayagamack	6	1951	7.68	86¾	75	80¾	79	80½	—	80¾	79
War Loan	5	1925	4.63	100.95	99.10	100.90	100.15	101.00	100.90	100.85	100.80
Ditto	5	1931	4.85	101.80	99.80	101.00	100.15	101.15	101.05	101.00	100.80
Ditto	5	1937	4.67	103.30	102.00	103.30	102.50	103.00	102.90	103.15	102.50
Victory Loan	5½	1924	4.60	101.65	99.80	100.90	100.20	100.85	—	100.90	100.30
Ditto	5½	1927	4.70	105.50	101.60	103.05	102.15	102.95	102.85	103.05	102.30
Ditto	5½	1933	4.83	106.70	104.15	106.65	105.10	105.30	105.20	105.60	105.15
Ditto	5½	1934	5.15	103.90	101.30	103.30	102.20	102.75	102.65	102.90	102.60
Ditto	5½	1937	4.73	108.45	106.25	108.17	107.50	107.85	107.75	107.75	107.50
Ditto, Renewal	5½	1932	5.15	103.15	100.80	102.50	101.35	102.55	102.45	102.50	102.00
Ditto, Refund	5	1928	4.85	99.70	98.80	100.50	99.40	100.05	99.95	100.50	100.15
Do., Refund	5	1943	5.00	99.25	97.90	100.30	99.00	100.00	99.05	100.25	100.00

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THESE debentures are redeemable at par in May, 1930, and, at present levels, investors are offered the opportunity of increasing their capital by approximately

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REPORT OF WEST VANCOUVER

The report of West Vancouver for 1923 shows the outstanding debt to be $880,048, including bonds for $832,300, current liabilities of $16,048 and provincial government loan of $31,700. Against this is a sinking fund of $155,657 and investment in shares of Burrard Inlet T. & B. Company of $62,500. The sinking fund shortage is $5,666.

The Protective Association of Canada

Head Office - - GRANBY, P.Q.

BALANCE SHEET
as at 31st December, 1923.

ASSETS

Cash in Bank and on hand	$ 44,798.18	
Cash in Agents' hands for Travelling Expenses	326.00	
		$ 45,124.18
Agents' Net Balances for premiums collected		11,039.80
Bonds and Debentures at Book Value	$139,402.88	
Accrued Interest	1,192.46	
		140,595.34
Office Furniture		1,267.16
		$198,026.48

LIABILITIES

Claims Outstanding—known or reported but proof not fyled:			
Accident		$ 10,408.02	
Sickness		13,274.60	
			$ 23,682.62
Accrued Taxes and Rent		4,662.00	
Accrued Salaries		1,916.66	
			6,578.66
Reserve for Unearned Premiums (100%)			75,613.98
Capital Stock:			
Authorized and Subscribed	$50,000.00		
Paid-up, 80%		40,000.00	
Profit and Loss Account:			
Balance per Statement attached		52,151.22	
			92,151.22
			$198,026.48

E. E. GLEASON,
General Manager

J. G. FULLER,
Secretary.

Audited and found correct.—ROBSON, RITCHIE & CO.

C. A. Official Now Admits Soviet Agitator Under Their Auspices

(Continued from page 1)

were perfectly well known among Christian Students members, and they believe that this body has become one of the media through which disloyal propaganda is carried on in the schools and colleges on this continent, and elsewhere; and that it has recently been engaged in the most insidious and injurious work affecting the future of Canada and its young people that has ever been put out.

Mr. Ferris writes of the desire of the Christian Students to hear from those who can give constructive suggestions on the present unsatisfactory condition in the industrial world, but they do not go to the recognized leaders like Tom Moore, Senator Robertson, Hon. Mr. Murdoch, in Canada, or Gompers or other great international leaders. They go to the group directed and financed by the same men who were active in helping our enemies in the war, some of whom were arrested, and some jailed for various offences and crimes against this country and the United States. This unusual interest in and intensive activity on behalf of labor is hard to explain at this time; in fact there never was a time in the history of living man when industrial conditions were so satisfactory to the workers. What the workers fear is that these Soviet interferences may seriously injure the workers as they did in Nova Scotia.

Mr. Ferris says he knows of no "secret instructions" from the League. Whether this be so or not, some of his associates certainly do. However, the printed instructions will suffice. Each of the nineteen students who paid the membership fee to the League should have a copy. They are bad enough. They go far enough to secure in any court a conviction on THE POST'S statements as to the deep-laid objects of the League. They will also show that these young men who form the nucleus of the Industrial Study Group—or whichever one of the numerous names it is working under—are practically recognized as members of the League—if not formally and officially such. In fact, the general instructions from Soviet headquarters are that the real objectives of all groups should be hidden until the members are thoroughly converted and the movement is thoroughly organized.

The Secretary's letter follows:

Editor, THE FINANCIAL POST,

Sir:—May I be permitted space to reply to an article in THE FINANCIAL POST of January 25, under the heading "Soviet Activities in Toronto University Now Admitted." After stating that "certain officials and societies connected with the University of Toronto have been aiding, abetting, encouraging and promoting this campaign for creating discord and disloyalty; that the men really back of the whole movement are the same men who are directing the Soviet campaign on the continent," THE POST goes on to say under the caption, "Agitation is under the auspices of Christian Association," that the S. C. A. first denied all knowledge of the meeting but later admitted that a member of the association presided at the meeting although it was not held under the auspices of the S. C. A.

The facts so far as the S. C. A. are concerned are quite different to the statement made in THE POST. It says "Enquiries were immediately made from the officials of the Students' Christian Association by a representative of THE POST. At first all knowledge of the meeting was denied. Then it was later admitted that such a man spoke but he arrived at the university as a stranger, appealed to a representative of the Students' Christian Movement, who knew nothing about him, but arranged for him to have a room." The truth of the matter is that Mr. Paul Blanshard was not brought to Toronto by the S. C. A. nor did we know him until we met him on the occasion of his visit to Toronto. Mr. Blanshard was asked to speak under the auspices of the S. C. A. at an open meeting in Hart House, and notice of this meeting was given in Varsity in the issue of November 15th. No official of the S. C. A. has denied that the meeting was held under its auspices nor do we wish to deny it. We have, I hope, sufficient scientific interest in the present unrest and unsatisfactory conditions in the industrial world to be willing to listen to any accredited person who believes he has some constructive suggestion to put forward for improving these conditions.

With regard to secret instruction obtainable from some of the League's friends connected with the Student Christian Association we confess we are unaware of any such instructions, although THE POST (strangely enough) appears to be able to state what some of these are.

Again, THE POST insinuates that the Student Christian Association "have assisted or brought speakers and organisers from the Soviet headquarters in New York to explain labor problems and interest students in them." We challenge THE POST to name any such organizer from Soviet headquarters in New York whom the S. C. A. has brought to Toronto. The names of the speakers who gave addresses under the auspices of the S. C. A. during the current year are:—Judge Mott, of Toronto; Dr. Paul Harrison, of Arabia; Dr. Aggrey, of Africa; Sherwood Eddy, of the International Committee Y. M. C. A.; Professor Fay, of Toronto; Professor Wrong, of Toronto; Rev. J. L. Griffith, of China, and Dean Hatanaka, of Kobe College, Japan. In addition to these groups interested in industrial problems have had the following speakers:—Professor Horning, of Victoria College; S. R. Parsons, past president of the C. M. A.; Howard Ross, K.C., of Montreal; A. W. Roebuck and James Simpson, of Toronto.

THE POST cannot produce any evidence that any of these men are organizers from the Soviet headquarters in New York; THE POST cannot prove that any of the industrial study groups in the University have any official connection with the Soviet headquarters in New York; the statement in THE POST that Soviet activities are carried on in the University under the auspices of the S. C. A. is entirely false.

We do not doubt for a moment the sincerity of THE POST in seeking to guard the students from influences tending to 'create discord throughout Canada' but we suggest that before making charges and insinuations THE POST be assured that it is in possession of reliable facts upon which to base these charges.

Yours truly,
(Sgd.) R. B. FERRIS,
Secretary, Students' Christian Association.

New Power Project Can Go Ahead on du Loup

MONTREAL.—With the passage in the Quebec legislature of the bill for the construction of a control dam on the Rivere du Loup, the arrangements for another new power development in the province have advanced a step. The dam is being erected by the province under its usual plan of controlling the flow of streams, and charging the annual cost to power companies benefiting from the use of the controlled water supply.

In the debate in the house it came out that the Central Quebec Power Company, now known as the Algonquin Power Company, was behind the development. This corporation recently changed its authorized capitalization from $1,000,000 to $2,000,000.

CIVIC AND PROVINCIAL FINANCE

DESPITE SURPLUS OVER $62,000,000 DEBT CLIMBED UP

Public Accounts Show Just Where Surplus Went Last Fiscal Year

From Our Own Correspondent.

MONTREAL.—Canadian "war tax revenues" in the last fiscal year were larger than in any other year since the beginning of the war. This is one of the anomalies revealed by the publication this week of the public accounts of the Dominion. The reason is that the government continues to call all the taxes initiated during the war by the general name of "war taxes." This includes income tax and sales taxes. Thus war tax revenues of the Dominion government have increased each year as follows:

1915x	$ 98,057
1916	3,620,782
1917	16,302,238
1918	25,379,901
1919	56,177,508
1920	82,079,802
1921	168,385,328
1922	177,484,161
1923	181,634,875

x 12 months to March 31st.

It seems significant that taxes from new forms of taxation initiated by the government during the war and after brought in more than three times as much as in the last war year.

Total of "War Taxation"

Special "war taxes" in the fiscal year ended March 31 last were as follows: :

Banks	$ 1,244,437
Trust and loan	312,391
Insurance	852,328
Business profits	13,031,462
Income tax	59,711,538
Sales tax, cheques, transportation, etc.	106,482,718
Total war tax	$181,634,875

The public accounts illuminate still further many of the facts concerning the government's receipts and expenditures that became available at the close of the last fiscal year. They indicate that, while the government had an ordinary surplus of $62,000,000 during the year, this was turned into a net deficit—in the shape of an increase in the net debt of the country—of $32,000,000 by advances to railways, to the government merchant marine capital expenditures, etc.

How the increase in the net debt is accounted for is indicated in this tabulation:

The ordinary receipts were	$394,614,900
and ordinary expenditures	332,293,732
Leaving a surplus of	$ 62,321,168
Add sundry items	1,590
	$ 62,322,758
From this we deduct:	
Railway advances	$ 77,863,938
Government merchant marine	5,979,856
Quebec harbor advances	284,200
Advances on capital account	9,807,124
Net special expenditures	28,380
Sundry items	327
or total deductions of	$ 93,963,825
Making a net increase in the net debt of the country of	$ 31,641,067

Superannuation Payments

That Canada is exceedingly generous with its civil servants on their retirement is indicated by the fact that during the year superannuation payments totaling $1,150,000 were made. The total is mounting very high, as superannuation on the present basis is a new proposition. During the one year covered by the public accounts, scores of new employees were superannuated with pensions amounting to $225,000, while the amount of superannuation payments was reduced through the death of retired civil servants by only $71,000, a net increase of more than $150,000 in the burden on the treasury from this source.

Much Talk of Brampton Seceding From County

Residents of Brampton have taken up seriously a suggestion that the town should secede from the county. At a meeting, held last week, Mayor H. W. Dawson read a number of telegrams sent to Reeve F. W. Weganast from the councils of towns which had separated from their particular counties, stating that they had never regretted the stand they had taken and, apparently, it had been to their advantage to secede.

It is claimed that the town does not get a fair proportion of the taxes collected for good roads. Taxation, without representation is one of the principles involved, because the county taxed the town for good road purposes, but positively refused to give it representation on the Good Roads Committee, which was responsible for expending all the money raised.

WINNIPEG HYDRO SURPLUS

It is estimated that the Winnipeg Hydro will show a surplus of nearly $125,000 for 1923. At the end of November the surplus was $90,100 and December realized about $35,000, it is understood.

New Brunswick Deficit Reached Half Million

From Our Own Correspondent.

ST. JOHN.—A deficit of $524,611 is shown in the yearly financial statement issued recently by the auditor-general of the province of New Brunswick. It is disclosed by the report that the cost of "prohibition enforcement was $67,397 and that receipts from fines and vendorship licenses amounted to $52,506. Receipts in net, of the New Brunswick Board of Liquor Commissioners were $440,237. Receipts from taxes on liquor exports $135,940. The deficit in operation of the St. John and Quebec Railway (Valley Railway) from St. John to Centreville was $268,092. It is noted that fees received from owners of motor cars and trucks aggregated $374,278, while fees received for stumpage amounted to $740,226.

WINNIPEG ADOPTS EXTENDED CENTRAL HEATING PROJECT

To Cost $2,000,000 and Will Serve Business Section

WINNIPEG.—The project of operating a central heating plant in Canadian cities has often been advocated, but no municipality has definitely moved to establish such a system until the present year.

With a by-law permitting the city to raise $889,196, passed at the municipal elections, and J. G. Glassco, manager of the Hydro Electric system, appointed to manage the utility, Winnipeg is well launched on a movement to establish a $2,000,000 central steam-heating scheme in the city's business district.

A pledge in the prospectus of the scheme, designed to protect taxpapers against loss binds the Hydro to obtain 30 per cent. of the business in the specified districts for initial installation before any structural work is started. Canvassers are now engaged in signing up contracts for the sale of steam. If this is successful, construction will be started in the spring.

The money to be raised under the present by-law is expected to provide conduits for two areas and boilers for four districts. It is estimated that the system will take five years to complete, and will involve a total capital investment of $1,795,250.

The plan does not make any provision for extensions to residential districts, but a proposal to operate a similar plant in these districts was previously put forward by a private party. This plan was rejected in spite of the fact that it was supported by J. G. Glassco, manager of the Hydro system, on the grounds that electric energy would be used to generate steam, meaning more revenue for the system.

While no other Canadian cities have adopted the plan to date, a number of United States cities, including New York, Boston, Detroit, Cleveland, Milwaukee, and Minneapolis, have done so. Experts claim the plan is an economical one, but most municipal officials prefer to go slow in it, until it is established that it can be operated without a loss. It adds another liability to the list, already burdensome in many cases, which result in annual losses, and is not easily gotten rid of when once established.

Alberta Cities Granted Further Taxing Powers

Definite steps have been taken by the Alberta government to give cities in the province the means to secure more revenue to meet their financial burdens. Although none of the liquor profits for 1924 will be given to municipalities on account of the expense involved in getting the act in operation, after Jan. 1, 1925, thirty-five per cent. of all these will be handed over.

According to the present basis of the act the division is to be made according to equalized assessment. It is more than probable, however, that the division will be according to a per capita basis.

In addition, the cities will be granted power to impose a motor tax upon automobiles.

They will also be given power to impose a service tax running from $1 to $250, or as an alternative an occupancy or renter's tax, as is in operation in Medicine Hat.

PENTICTON'S STATEMENT

The total debenture debt of the district of Penticton, B.C., now stands at $1,010,200, according to the annual report for 1923 just issued. Of this $252,200 is non-productive and $758,000 is on revenue producing utilities. However, several of the latter were operated at a loss during the year. The irrigation system showed a loss of $9,002, the electric light $213, and the domestic water system $1,136. The sinking fund stands at $144,096, being a surplus of $4,062.

The revenue for the year was $65,010 and the expenditure $60,474, leaving a surplus of $4,536.

GOVERNMENT IN ALBERTA CLAIMS LARGE SAVINGS

Some Interesting Figures Are Being Submitted by Premier

EDMONTON.—With the government at Ottawa facing a public demand for retrenchment in public spending, particularly in the civil service, which cannot be longer ignored, the Alberta government is presenting figures and information to show that provincial spending has been considerably curtailed. At the recent U. F. A. convention Premier Greenfield submitted that the cost of government in Alberta had increased by 153.4 per cent. from 1917 to 1921, while the population had increased only 9.17 per cent. The latter year was the first in the history of the province, he declared, when the expenditures in every department were less than appropriations, the reductions being $712,210.

The premier outlined the following economies which had been effected by his government:

STAFF REDUCTIONS

Ordinary Departments:	
196 employees; pay roll reduced	$288,453
Telephone Department:	
386 employees; pay roll reduced	429,000
Reduction per month $35,777	
Aug. 1921 to Oct. 1923 pay-roll reduction 31.8%.	
No. of empl's Aug. 1921, 1,015	
Aug. 1923 629	
Railway Department:	
21 employes; payroll reduced	20,000
Total	$737,453

The following statement issued by the government shows net saving in salaries as between August, 1921, and December 31, 1923::

Department	Reduction in staffs	Total yearly salaries
Public Works	23	$ 35,190
Audit Office	4	4,650
Agriculture	55	81,955
Legislative Assembly	2	5,300
Attorney General's	38	46,046
Treasury	5	4,807
Education	37	70,605
Municipal Affairs	19	25,350
Public Health	12	13,700
King's Printer	1	850
	196	$288,453

Estevan Sells $22,000 Power Bonds Locally

From Our Own Correspondent.

REGINA.—The town of Estevan, Sask., has had the same share of the difficulties which practically all western towns have experienced, but the example it recently set in self-dependence and local patriotism should go a long way towards hastening the coming of better times in this community. Power plant bonds to the amount of $22,000 had to be disposed of. The city councillors and town officials went out among the citizens in search of capital and within five days the entire issue had been subscribed by citizens of the town in sums of from $6,000 to $100.

"The mayor reminded the council that in times like these, nothing could reflect greater credit on the town," states the Estevan Mercury. This is the spirit which THE FINANCIAL POST has always commended and the mayor and council deserve the approval of other communities as well as their own for the successful manner in which they have disposed of their bonds and their financial worries in this connection.

AVALON TELEPHONE

A St. John's, Newfoundland, dispatch states that a report is current in that city to the effect that the head executive of a Montreal house was in that city last week discussing a proposed merger of the various public utility companies of St. John's.

This report is interesting in view of the fact that the Avalon Telephone Co. of Newfoundland is controlled in Canada and has been financed by the Royal Securities Corporation.

Tenders and By-Laws

TENDERS WANTED

Feb. 15, Huntsville.—$35,000, 5½%, 20-ins. debentures. T. M. Cullon, Clerk.

Feb. 15, Sturgeon Falls.—$22,587, 6%, 10, 20 and 30-instal. debentures. L. Rod. Vannier, Town Clerk.

Feb. 23, Timmins.—$160,000, 5%, 30-yr. debentures. H. E. Montgomery, Clerk-Treas. (See announcement on page 16.)

SASKATCHEWAN

Authorizations Granted by the Local Government Board from Jan. 24th to Jan. 31st, 1924.

Schools—St. Alexis, $2,000; Briercrest, $8,000; Lebret R.C.P., $7,500.

Telephones—Scott, $650; Kandahar, $1,000.

Debentures Reported Sold

School—Mainroad, No. 4536, $1,800, 1 yrs., 7 per cent., Regina Brokerage & Inv. Co.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place—	Sold To—	Rate	Term	Amount	Price	Basis
Jan.	—Estevan, Sask.	Locally	..	..	$20,000	..	..
Jan.	—Wheatley	Macneill, Graham & Co., Toronto	5½%	20-ins.	13,000	..	..
Jan.	—Trenton	Housser, Wood & Co., Toronto	5½%	20-yr.	74,000	..	..
Jan. 28	—O'Brien Twp.	A. Jarvis & Co., Toronto	5½%	30-yr.	35,000	101.82	5.37
Feb. 1	—Stormont, Dundas and Glengarry	Matthews & Co., Toronto	5%	19-ins.	145,463	98.09	..
Feb. 1	—Brockville	Dominion Securities Corp., Toronto	5½%	10-ins.	64,468	100.62	..
Jan. 31	—Cobourg	Stewart, McNair & Co., Toronto	5½%	20-yr.	113,829	101.65	..
Jan. 31	—Saskatchewan Schools	Regina Brokerage & Inv.	7%	15-yr.	1,800	..	..
Feb. 4	—Campbellford	Snowball & Co., Toronto	5½%	30-ins.	28,800	101.52	5.38
Feb. 1	—Tisdale Township	Wood, Gundy & Co.	6 %	—	83,000	104.417	..
Feb. 4	—Village of Cayauga	Bird, Harris & Co.	5½%	20 ins.	12,000	99.77	..
		Corporation					
Jan.	—Bickle Engine Co.	Macneill, Graham & Co.	6%	15-ins.	20,000	100.50	..
Feb. 5	—La Presse	Commercial Union Assurance Co.	..	..	400,000	..	..
Feb. 4	—A. Burritt & Co.	L. M. Green & Co.	5½%	14-yr.	75,000	98.27	..
		Provincial					
Feb. 6	—Alberta	Wood, Gundy & Syndicate	5%	16-yr.	2,000,000	..	..

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ADELAIDE 2383 - TORONTO

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W. L. McKINNON & Co
GOVERNMENT AND MUNICIPAL BONDS
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Telephone Adel. 3871

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

TOWN OF TIMMINS

Tenders for Debentures

TENDERS will be received by the undersigned up to Saturday, February 23rd, 1924, for the purchase of $120,000.00 of 5% 30-year Debentures to build, equip and furnish a High School in the Town of Timmins.

Debentures will be for $1,000.00 each and odd hundreds. Equal annual payments $7,806.15 of Interest and Principal payable at Toronto, Montreal or Timmins.

The above are issued under By-law Number 251 and are guaranteed by the Ontario Government.

Purchaser to arrange and pay for Printing of Bonds.

Further particulars may be obtained from the undersigned.

Dated at Timmins, Ontario, this 4th day of February, 1924.

H. E. MONTGOMERY,
Clerk and Treasurer.

TOWN OF TIMMINS

Tenders for Debentures

TENDERS will be received by the undersigned up to Saturday, February 23rd, 1924, for the purchase of $40,000.00 of 5% thirty-year Debentures to build and equip an addition to the Timmins Central School in the Town of Timmins.

Debentures will be for $1,000.00 each and odd hundreds, equal annual payments $2,602.05 of Interest and Principal payable at Toronto, Montreal and Timmins.

The above are issued under By-law Number 249 and are guaranteed by the Ontario Government.

Purchaser to arrange and pay for Printing of Bonds.

Further particulars may be obtained from the undersigned.

Dated at Timmins this 4th day of February, 1924.

H. E. MONTGOMERY,
Clerk-Treasurer.

The Leading
Life Assurance Company
of the Dominion

Assurances in force - $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE-MONTREAL

The Saskatchewan Life Insurance Company
From 1923 Report

	1918	1923	Increase
Premium and Interest Income	$ 107,386.00	$ 238,195.00	$ 120,809.00
Total Assets (Ledger value)	266,745.00	713,923.00	447,178.00
Policy Reserves	116,473.00	503,563.00	387,090.00
Surplus (including paid-up Capital of $100,000.00) . .	122,467.00	191,687.00	69,220.00
Insurances in force . .	2,845,834.00	6.009,600.00	3,163,766.00

Mortality 33% of the Expected. Interest on Investments 7¾%.
Substantial Reduction in Expense Ratio. Detailed Report on request.

Head Office
Saskatchewan Life Building, 1819 Cornwall St., Regina, Sask.
T. F. Conrod, Managing Director. Chas. Willoughby, President.

Savings
Safeguarded

Of all forms of investment for people of moderate or limited means, Life Insurance is the safest and best. A Great-West Life Policy immediately enhances a man's capital and earns him a good rate of interest on his savings. Let us send you our little story of "The Savings Bank and the Life Assurance Policy."

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG

STRICTLY A POLICYHOLDERS' COMPANY
Organized 1869. Opened for Business 1870.
Our Company was established on a purely mutual basis with the sole aim of securing for its members sound life insurance at a minimum cost. There are no stockholders. Profits are allotted to policyholders annually. All approved features are incorporated in our policies, including disability benefit and double indemnity in case of accidental death. The Company has a remarkable record of steady expansion in business, increasing payments to policyholders and growing assets, which last item includes a magnificent surplus—all of which is credited to the members of the Company. After testing other methods of profit-distribution, the management has decided to adhere to the annual dividend system. A very substantial increase in dividends has been decided upon for 1924.
The Mutual Life Assurance Company of Canada
Waterloo :: Ontario

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$80,000,000.00
Policies Issued from $500 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

What the Maccabees Are

The Maccabees has been established for 42 years, and is now one of the largest beneficiary orders in the world, with about 250,000 members.

Besides fraternal advantages, you will enjoy insurance protection in 20 Pay Life, Endowment or Straight Life policies.

The Maccabees operate on adequate rate basis. Premiums may be paid yearly, half-yearly or monthly. Full particulars about our attractive options in our free literature.

Write for it today to The Maccabees, Confederation Life Bldg., Toronto.

Assets
$18,000,000

Join the
Maccabees
Fraternity & Protection

Benefits Paid
over
$140,000,000

A BRITISH COMPANY
UNION INSURANCE SOCIETY OF CANTON
LIMITED
ESTABLISHED 1835
Fire - Automobile - Marine Insurance
TOTAL ASSETS OVER $40,000,000.00.
Head Office for Canada - 36 Toronto St., Toronto
C. R. DRAYTON, Manager for Canada

INSURANCE FOR BUYER AND SELLER

LAPSING OF LIFE POLICIES STUDIED BY UNDERWRITERS

Remedy Lies Largely With the Agents, Says Speaker

At the educational congress of the Life Underwriters in Toronto last week the ravages of the lapsation evil received special consideration. Among those present, numbering several hundred, the feeling that strenuous efforts must be made to cut down the lapse ratio was much in evidence. The problem, which evoked special mention from the Dominion superintendent in his last annual report, causes heavy losses each year to the companies, those insured and the agents alike. As much of the remedy must come from salesmen, it is one step toward the solution when a body like the Underwriters studies the situation.

The discussion was introduced by an address by W. Lyle Reid, of Ottawa, on "Reasons underlying the lapsation of business." Mr. Lyle stated that the intensive scientific type of salesmanship, which had made the American continent the most highly insured area in the world, brought with it the tragedy of lapsed policies. The principal causes, according to the speaker, are high pressure selling, lack of attention to the business, misrepresentation, unscrupulous conduct of rival agents and adverse changes in financial circumstances.

In the first place many are persuaded to buy insurance hurriedly without mature consideration of their real needs. On the other hand many salesmen make a sound canvass, appealing to the prospect's mind and heart, and then on failing to close the sale in one interview, neglect to follow it up with careful attention. In some cases the lack of attention is so marked as to create a feeling in the prospect's mind that the salesman is indifferent. While deliberate misrepresentation has been cut down a great deal in recent years and is seldom in evidence, there is still much unintentional misrepresentation due largely to a lack of knowledge. The practice of advising each prospect of the proper policies to choose can be developed only by careful study of insurance itself and the many ways in which it can be fitted into a financial program.

The speaker scored the practice of spreading doubt and distrust in opposition companies and competing agents, because of its detrimental results on the business generally. He also refers to the efforts put forth by the companies to make it possible for an insured person to continue his insurance even in times of severe financial distress by automatic non-forfeiture clauses, reasonable instalment payments, etc.

The effects of lapses on the company are to seriously retard growth and increase the expense ratio, while for the agent they mean wasted effort and a failure to secure the full remuneration for the work in selling. However, it is the assured who loses most. The protection ceases at a time when it may be most needed and a spirit of indifference to family needs replaces forethought.

The remedy, as Mr. Reid pointed out, lies chiefly with the underwriters in placing service first. He advocated more attention to laying down a programme of the client's needs and the development of the ability to give him the maximum of company service.

In the discussion which followed, three conclusions were reached: First, the salesman should make the prospect realize his need for insurance; secondly, he should be shown definitely the price he will have to pay, rather than be imbued with the thought that the cost after the first year will be light; thirdly, the agent should sell him the amount and kind most suitable for his purposes regardless of commission considerations.

The outline of the steps which insurance men may take in studying the insurance needs of clients to prevent capital and revenue losses, presented by R. Dunbar, of the Canada Life, was a revelation to many of those present. A number of other subjects were discussed, among them business insurance, life insurance plans and their relation to sales, and obtaining, maintaining and retaining life assurance representatives.

P.A. of Canada Had Higher Profit Margin

From Our Own Correspondent.

MONTREAL.—The Protective Association of Canada had a good year in 1923, it is shown by the statement of affairs of the association. While the percentage of claims was exactly the same as in 1922, substantial savings were effected, both in agents' commissions and in expenses, with the result that net profits were 8.27 per cent. of gross premiums, as against 6.8 per cent. in the previous year.

Gross premiums during the year amounted to $289,045. There was in addition income from investments of $7,028. This made a total revenue of $296,073, from which sickness and accident claims of $167,664 were paid. The year's profits were $23,915.

The balance sheet shows total assets of $198,026, and a total surplus to policyholders of $92,151, and to shareholders $52,151.

INSURANCE LICENSE

A license has been granted by the Dominion Department of Insurance to the Globe and Rutgers Insurance Co. to transact tornado insurance.

Well Known Insurance Men Lecture at McGill

MONTREAL.—In the educational course in life insurance at McGill University, ninety lectures are being delivered conjointly by members of the university staff and by insurance experts from the leading life companies of Canada. The former will confine their addresses to the theory of life insurance, while the insurance men will give practical lectures which will cover everything from advertising to securing prospects, and other matters of vital importance to life insurance men.

Outstanding men in the insurance world in their respective lines are to deliver the lectures. Some of the lecturers are: H. W. Manning, of the North American Life Assurance Co.; Wm. May, Jr., of the Sun Life Insurance Co.; R. Dunbar, of the Canada Life Assurance Co., and J. G. Parker and Clifford Elvins, both of the Imperial Life Assurance Co.

FIRE LOSS ON FARMS RECEIVES ATTENTION

Portage La Prairie Farmers' Mutual Attempts Prevention —Careful Management

The annual statement of the Portage la Prairie Farmers' Mutual Fire Insurance Company for 1923 shows the company to have carried on successfully through a somewhat trying year, and gives evidence of the great care with which the company's affairs have been managed.

New insurance written in 1923 amounted to $22,346,232, bringing the total business in force to $68,331,180. In addition, other applications aggregating considerably over one million dollars were received during the course of the year, which indicates a careful selection of risks.

The report shows 922 claims paid during the year, 305 representing fire losses, 95 lightning and 522 damage from windstorm—the whole totaling $252,569. While the losses from windstorms are considered about normal, and the lightning claims are less than in the previous year, attention is drawn in the directors' report to the constantly increasing number of fire losses. A great many of these fires were in barns and were caused by spontaneous combustion, but a large proportion were traceable to carelessness, and the company is devoting a great deal of time and money throughout its field to an educational campaign for prevention of fire waste—by making frequent and careful inspections, giving free advice on building construction, and by issuing instructive literature.

FINDS COMPETITION IS LESS IN CANADA

Insurance Man's Earnings Were Higher in Maritime Territory Than in United States

From Our Own Correspondent.

ST. JOHN.—"Far fields look green" is an old axiom that has struck home with vigor in the case of at least one Canadian insurance man. This man, an assistant manager of a local branch in one of the larger eastern cities, was just thirty-five. He was doing satisfactorily with the company he represented, was a hard worker, conscientious and energetic. Discontent with his lot penetrated his life when he heard lurid tales of success in the United States. Stories by the score were related to him of how simple it was to acquire wealth in the insurance field in the U. S.—and particularly in the middle west.

After hearing these tales for a year, he succumbed—removed with his wife and two children to one of the leading middle west cities of the United States. But he was not long in action in his chosen sphere of life until he found the field was greatly overcrowded. After a year of hard work, in which his earnings were about 50 per cent. what he had received in Eastern Canada, he resolved that far fields looked far too green to him. He moved back to Eastern Canada and resumed work with his old company—but not as assistant agency manager. He must start again on a lower rung and work upward. One year of his life had been a total loss. His earnings did not equal 70 per cent. of his expenditures through the year. He says he is now content to work upward all over again, where the competition is limited and where his prospects of ultimate success are at least one hundred per cent. brighter. "Stay where you know the territory and the people" is this insurance man's advice.

Travelers' Companies Report Growth in 1923

The assets of the Travelers' Insurance Company on Jan. 1 were $286,092,881, a gain for the year of $36,662,740. The capital and surplus totalled $25,326,190, which is $5,485,996 greater than a year previous. The total income for the year was $108,739,313, of which $95,609,135 was on account of premiums, and the amount of claims paid were $41,073,843. The insurance in force was increased by $381,893,412 to $2,438,317,145.

The company, which operates extensively in Canada, issues only non-participating policies and has enjoyed a remarkable growth in this field.

An allied company, the Travelers' Indemnity Company, reports assets of $10,867,618, and capital and surplus of $2,933,619. The total cash income for the year was $9,111,073, including $8,620,243 premium income after deducting reinsurance. Nearly half of this, $4,220,937, was premiums on property damage and collision insurance. The claims paid during 1923 totalled $580,338.

NO ACTION TAKEN ON ADMISSION OF RECIPROCALS YET

Insurance Companies Oppose Enforcing Act; Safeguards Set-up

Much speculation is going the rounds among insurance men on the probable action which will be taken by the Ontario government, following the decision of the Privy Council that the province was legislating within its rights in passing the Reciprocal Insurance Act, 1922. The Act was introduced and received its first reading before any serious opposition developed. At that time the matter was brought to the attention of the fire insurance companies, and objections were raised. In addition, Dominion government officials disputed the power of the province to legislate, resulting in subsequent appeals, finally to the Privy Council. Among those who opposed the bill was Hon. W. F. Nickle, the present attorney-general.

The object of the Act was to admit to Ontario insurance reciprocals. These are associations of members who contribute sums of money to a specified attorney-in-fact to pay fire losses of the members under certain conditions, the object being to secure insurance at cost. The objections to their admission are based on certain claims. It is alleged that large numbers of these associations have failed in the United States. The opponents point out that when you sign a power-of-attorney for a reciprocal you become the insurer of others whom you do not know, whose risks you do not know, and whose premium rates you do not know, and who are changing from day to day as old policies expire and new policies are written.

They maintain that when a reciprocal gets into trouble members withdraw, leaving others without any protection against loss. Moreover, in case of non-payment of claims, they say, it is difficult to collect it by any legal process.

On the other hand, sponsors of the Act make it clear that severe restrictions are placed on the admission of reciprocals under the Act. They will be required to secure licenses from the insurance department, pay taxes in the province, maintain reserves against unearned premiums and claims, etc. It is contended that the requirements are so strict that only a very limited number can gain admission, and that the safeguards are adequate for the protection of members.

THE FINANCIAL POST understands that no action has yet been taken by the government relative to deciding whether the Act will be enforced as passed.

Canadian Companies are Successful in England

The success of Canadian life insurance companies abroad is again emphasized by the encouraging reports of several companies on their business in England during the past year. The Sun Life Assurance Company, which took over the English business of the New York Life and the Equitable Life of New York, reports a record of paid for assurance of £2,062,000 with a premium income of £113,000. In striking contrast to the Canadian figures are those of the annuities written in England, providing income of £420,000.

Total new life assurance placed in Great Britain by the Canada Life amounted to $6,347,333, and annuities of $94,874.92 were issued. The total income from premiums and annuities in Great Britain was $3,161,746.85.

The Confederation Life has not issued any separate report of its English business, but officials of the company state that the year was a good one, the amount of insurance secured showing an increase over the previous year. Expansion of the company's business led the company to open larger offices in the Bush Building, one of the finest in London.

Another company, the Manufacturers' Life, maintains an office in London for the convenience of policyholders now residing there. The company does not actively solicit insurance there as yet.

Crown Life Made Big Gains in Past Year

Record progress during 1923 was reported at the annual meeting of the Crown Life Insurance Company this week. President G. T. Somers commented on the rapid growth of the company, saying:

"The net increase of insurance placed on our books during the past five years exceeds by almost 50 per cent. that of the years 1901 to 1918 combined. Lest you should fear that this large amount of new business has been obtained at an excessive cost, I hasten to assure you that our expense ratio, which in recent years has been quite low, has again declined and is in fact one of the lowest.

"Our assets are well distributed and in excellent condition and our interest yield is certainly most satisfactory. The ever-increasing returns to policyholders by way of dividends cannot fail to be gratifying to them and to our field force."

Applications for new policies during 1923 totaled $15,123,490, an increase of nearly 50 per cent. over the previous year. Policies were issued to the amount of $13,840,920, and the total insurance in force at Dec. 31 last was $42,175,180, being an increase of $7,715,136 during the year.

The assets totaled $5,472,667, of which first mortgages amounted to $2,527,695, and on this only $7,312 of interest was outstanding. Government and municipal bonds amounted to $1,387,253.

The premium income was $1,362,378 and interest $337,462, the average rate being 7.02 per cent. The sum of $554,098 was added to the policyholders' reserve fund, which now amounts to $4,697,973, in addition to $76,381 of allotted surplus, while the unallotted surplus stands at $470,277. Dividends paid to policyholders were $70,458. The scale of policyholders' dividends has again been raised approximately 28 per cent., the same advance being made as was made a year ago.

FREDERICK M. MOFFAT
Trustee in Bankruptcy
LIQUIDATIONS
COLLECTIONS
OSCAR HUDSON & COMPANY
Toronto London Hamilton Montreal
St. John, N.B. Winnipeg Vancouver

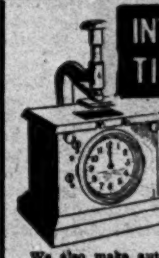
When selecting a Trust Company as an Executor choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL
AND RESERVE $1,240,000
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

FIRE AUTOMOBILE MARINE
British America Assurance Co.
(Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company
(Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

USE TIGER LEAK PROOF
WOVEN CORD TIRES
Guaranteed for one year. Prices and particulars forwarded to you by request.
Tiger Tire & Rubber Co. Ltd.
42-44 Adelaide St. W., Toronto.

SECOND OF SEVEN
Winnipeg is the headquarters of seven splendid life companies, all safe to insure with.
The Northwestern, although the youngest, was second to construct its own home office building.
NORTHWESTERN LIFE
NORTHWESTERN BLDG. WINNIPEG, MAN.



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PRUDENTIAL
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LIMITED
Trustees, Executors, Administrators,
Real Estate and Insurance,
Safety Deposit Vaults.
B. HAL. BROWN,
President and General Manager.
HEAD OFFICE
PRUDENTIAL TRUST BLDG.,
Montreal.
Branches throughout Canada and in London, Eng.

Canada Permanent Mortgage Corporation

ANNUAL MEETING

The Annual Meeting of Shareholders of the Canada Permanent Mortgage Corporation was held at the Head Office of the Corporation, Toronto Street, Toronto, on Thursday, January 31st, at twelve o'clock noon.

The President, Mr. W. G. Gooderham, occupied the chair. The Secretary of the Corporation, Mr. Walter F. Watkins, having been appointed Secretary of the meeting, read the Report of the Directors for the year 1923, and the Statement of Assets and Liabilities, which are as follows:

REPORT OF THE DIRECTORS

The Directors have much satisfaction in submitting to the Shareholders the Annual Statement of the business of the Corporation for the year 1923, together with duly certified Balance Sheet.

The balance at the credit of Profit and Loss at the beginning of the year was	$ 334,155.90
The net profit for the year, after deducting interest on borrowed capital, expenses of management, all charges and losses, together with War Revenue and Dominion Income Taxes, Provincial and other Taxes, and after making provision for possible losses and contingencies, amounted to	$ 911,798.20
Making available for distribution	$1,245,954.10
This sum has been appropriated as follows:—	
Four quarterly dividends of Three per cent. each on the paid-up Capital Stock	$ 840,000.00
Balance carried forward at credit of Profit and Loss	405,954.10
	$1,245,954.10

All which is respectfully submitted.

W. G. GOODERHAM,
President

Toronto, January 14th, 1924

FINANCIAL STATEMENT

31st December, 1923

ASSETS

Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Woodstock, Halifax		$ 852,874.13	
Real Estate held for sale		792,002,15	
Mortgages on Real Estate:—Principal	$35,230,509.43		
Interest	1,224,159.88	36,454,669.31	
Loans on Bonds, Stocks, etc., Loans on Corporation's Stocks	67,773.05		
Loans on Other Securities	119,462.23	187,235.28	
British Government Securities, consisting of 5% War Loan and National War Bonds		1,361,764.98	
Securities of the Dominion of Canada and Provinces of Canada		595,590.15	
Securities guaranteed by the Dominion of Canada and Provinces of Canada		273,933.67	
Debentures of Ontario Municipalities		219,389.77	
Stocks:—			
Canadian Pacific Railway Company	$260,000.00		
The Consumers' Gas Company	232,500.00		
The Canada Permanent Trust Company	980,000.00	1,472,500.00	
Cash in Chartered Banks and on Hand		1,439,064.97	
			$43,649,024.41

LIABILITIES

To the Public			
Debenture Stock and Accrued Interest	(£174,805 5s. 9d.)	$ 850,719.06	
Debentures—Sterling—and Accrued Interest	(£3,025,979 5s. 9d.)	14,726,432.53	
Debentures—Currency—and Accrued Interest		6,402,986.37	
Deposits and Accrued Interest		7,047,740.07	
Sundry Accounts		5,192.28	
			$29,033,070.31
To the Shareholders			
Capital Stock Subscribed	$7,000,000.000		
Capital fully paid		$ 7,000,000.00	
Reserve Fund		7,000,000.00	
Dividend payable 2nd January, 1924		210,000.00	
Balance carried forward at Credit of Profit and Loss		405,954.10	
			14,615,954.10
			$43,649,024.41

W. G. GOODERHAM, President
GEORGE H. SMITH, General Manager.

We beg to report that we have audited the books of the Canada Permanent Mortgage Corporation for the year ending 31st December, 1923, and have verified the cash, bank balances and securities of the Corporation.

That we have examined the foregoing statement and that it agrees with the books of the Corporation.

That after due consideration we have formed an independent opinion as to the position of the Corporation.

That after our independent opinion was formed and according to the best of our information and the explanations given us, we certify that, in our opinion, the statement sets forth fairly and truly the state of the affairs of the Corporation.

That all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

A. E. OSLER,
HENRY BARBER,
Chartered Accountants.
Auditors.

Toronto, January 11th, 1924.

The President, Mr. W. G. Gooderham, in moving the adoption of the Directors' Report, said:

In the Report which the Secretary has read, the Directors expressed their satisfaction with the Statement they have been able to present to you, of the business of the Corporation for the past year. We believe it has afforded the Shareholders equal satisfaction.

It is a particularly strong Balance Sheet which we have had the pleasure of submitting this year. The increase of considerably more than two millions of dollars, in the aggregate of moneys with which the Corporation has been entrusted, is especially gratifying. This large additional amount has all been invested in mortgages on real estate, principally in Ontario.

I need scarcely say to you that all our investments of this class are in first mortgages, on improved productive properties. These properties have been subjected to the most careful and thorough inspection by experienced and proven Inspectors. As I have stated on previous occasions, our preference has been, for many years, for loans of moderate sums on the security of well-improved and occupied farms and of well-constructed modern dwellings in our larger Cities of a class not too expensive to be readily marketed. Due to our system of providing for gradual repayment of the principal during the term of the mortgage, a large proportion of these loans have been very considerably reduced. Of more than 17,000 mortgages, averaging about $2,100 each, 16,135 are for sums of less than $5,000 each, the average being $1,669, while 11,051 represent balances of less than $2,000 each. We have also less than fifty mortgages for sums of $20,000 or more, and of these only five are loans in excess of $50,000.

We have faithfully adhered to the idea that the chief purpose for which this and similar Companies were incorporated was to supply the needs of real estate owners having satisfactory security, for money they may desire to borrow thereon. There are, however, periods during which money necessarily accumulates more rapidly than it can be absorbed in mortgage investments. A very large proportion of interest and principal payments are received at a season of the year when loaning is comparatively inactive. To keep a considerable sum of money as well employed as possible, we purchase at such times readily convertible securities of the highest class. Loan Corporations having Dominion Charters are required by law to hold in cash or in Government or Municipal Bonds not less than twenty per cent. of the amount of their deposits. This is a prudent provision for the additional security of depositors, though we have found that the mortgages held by this Corporation supply all the liquidity which could be required. For years past our repayments of principal together with the interest received, on real estate mortgages alone, have annually equalled nearly the aggregate amount of our deposits. You will see among our Assets, British and Canadian Government Bonds, Debentures of Ontario Municipalities and cash to an amount equal to more than 55 per cent. of our deposits, or nearly three times the statutory requirements.

Among the other items of Assets is the stock of The Canada Permanent Trust Company. We are very well satisfied with the growth and development which is now taking place in the business of our associate Trust Company. By the most careful attention to the interests with the management of which it has been entrusted, it has merited and is receiving an increasing measure of public favor. Its organization is of a character calculated to render a service that cannot be excelled and last year there was a net profit at each of its eight offices. In addition to the modest dividend we receive, it is each year adding to its Reserve Fund and, apart from its potential value, it has Assets which give the stock a present value considerably in excess of the amount at which it is carried in our Statement. Shareholders are again requested to further their own interests by utilizing the services of their own Trust Company and by recommending it to their friends.

It will be noticed that our Debentures, both those payable in Canada and Sterling Debentures, have considerably increased. The latter increase is chiefly gratifying as an evidence of the high position the Corporation holds in the esteem of the Scottish investor. Considerable additional British money was offered, which we felt it necessary to decline, though with regret. The action of Sterling Exchange, which a year ago was rapidly moving upwards, has been most disappointing. In March it reached within a few cents of par, but immediately reversed its position and in the past few months has been falling with increased momentum. The large amount of dollar exchange required to meet payments to the United States by the British Government, which aroused the admiration of the civilized world by the manner in which it assumed its obligations, and the later developments which have resulted in instability of government and a fear and uncertainty in consequence of which large sums have been transferred from Britain to other Countries, were not foreseen a year ago.

Some remarks of a general nature as to conditions which prevailed during the year may be expected. So much has appeared in our papers during recent weeks, in the reports of addresses by the executives of other financial institutions, that there remains little which one may profitably add. You are all aware of the record crop harvested in the West, in which unfortunately some districts did not share, and of the increased volume of our Country's trade; and you have probably read at least a portion of the mass of figures and statistics which have been printed. It does not seem that I can hope to interest you by attempting to repeat them. There are two requisites of the first importance to the attainment of that increased measure of prosperity which everyone so earnestly desires. These may each be summed up in two words, namely: "more people" and "less taxation." Fortunately, there are strong reasons for anticipating a much greater volume of immigration to begin this year and to that extent the outlook is encouraging. It is of equal importance that we should retain our present population. The insistent demand for a lessening of the burden of heavy taxation, for economy and retrenchment in the public service, for the removal of the incubus of oppressive and hampering imposts on business, have been heard and heeded by the Governments of every Anglo-Saxon Country except Canada. In the heavily burdened Motherland the budget has been balanced, surpluses have been produced, and taxation reduced. In our sister dominions progress is also being made. Australia has balanced its budget and New Zealand has produced a surplus and made an important reduction in taxation. The United States produced a large surplus, greatly reduced its liabilities and is preparing to make a large reduction in its income tax. In Canada our national debt continues to increase and additional taxation is imposed, and the liabilities of our Provinces and Municipalities grow greater instead of less, necessitating the collection of more revenue from people with lessened ability to pay. When may be hope that some of these shackles business is wearing will be struck off?

Reference was made last year to the retirement of Mr. Massey owing to ill-health. The hopes then entertained that with relief from responsibility might come improvement in health were not realized. On the 25th September last he passed peacefully to his reward. He will be long missed not only by his Colleagues on the Board and his associates in the management, but also by an unusually large circle of friends.

The vacancy in the Directorate was filled by the appointment of Mr. Norman Mackenzie, K.C., of Regina. Mr. Mackenzie went to Regina immediately after being called to the Bar of Ontario in 1891 and has for the past thirty-two years been at the head of one of the leading firms of Solicitors in that Province. He has had a varied and most valuable experience, particularly in relation to business and agricultural conditions in Saskatchewan where the Corporation has extensive interests.

I beg to move that the Report of the Directors be received and adopted and, together with the Financial Statement, be printed and a copy sent to each Shareholder. Before asking Mr. Clarkson, the Vice-President, to second the resolution, the General Manager will make some further comments on the business of the year.

The General Manager, Mr. George H. Smith, then addressed the meeting as follows:

In the realms of business and finance 1923 was a year of very great uncertainty and, therefore, of more or less anxiety. That the net profits of the Corporation have been such as to enable us to pay the dividend of twelve per cent. without any reduction of the balance at credit of Profit and Loss, but on the contrary to add $71,798 thereto, bringing the unappropriated profits up to $405,954, we believe will be gratifying to the Shareholders. The fact will not be lost sight of that the increased dividends paid during the past three years have been more than earned after the deduction of steadily increasing sums for Dominion and Provincial Taxes. Ten years ago, when the dividend was increased to ten per cent., there was no Dominion Taxation. It is true we had to pay taxes, which we then considered burdensome, to the various Provincial Governments. In addition to all these, we have now to provide a large sum annually to meet Income and other Dominion Taxation. How the net profits are affected thereby was indicated last year.

The increases of more than $1,600,000 in our Debentures payable in Canada, and of upwards of $800,000 in Sterling Debentures are particularly gratifying. As has always been our practice, all commissions and charges in any way connected either with the renewal of the large amount of debentures which matured during the year, the greater portion of which were renewed at reduced rates of interest, or with the large volume of additional money received, have been paid out of the profits of the year, as were also all expenses incidental to the loaning of these additional funds.

The reduction of about $237,000 in our deposits is more than accounted for by large withdrawals of savings for investment in the Dominion and Ontario Loans which were offered to the public for subscription in the latter part of the year. Our average deposits for the year were considerably in excess of the 1922 average, and the number of accounts has also considerably increased.

The President has referred to the large increase of more than two million dollars in our mortgage investments and to the exceptionally high character of our Government Bonds and other negotiable securities. The aggregate of the Assets of the Corporation has grown to very large figures, and when the eight million dollars of our Trust Company are added make a total of more than fifty-one millions of dollars, or nearly twice the volume over which we were exercising supervision only fifteen years ago and exceeding the figures of 1903 by about 125 per cent.

You may have noticed an increase in the amount of Office Premises account. At our New Brunswick Branch the business of the two Companies was rapidly outgrowing the facilities obtainable in the building we had occupied for more than twenty years. We availed ourselves of an opportunity to acquire very desirable premises, which one of the Bank mergers had left vacant, which will afford ample accommodation for many years to come, and which we were able to obtain at a price very much less than they had cost as well as considerably less than we should require to expend in erecting a suitable building. The former premises have not yet been disposed of, but they are well occupied and last year produced a net return of more than seven per cent.

There is one item in our Assets which it would be satisfactory to see represented by much smaller figures, namely: the Real Estate held for Sale. Standing alone, $792,000 seems a large amount. It is, however, about 1.8 per cent. of the Corporation's Assets and I may tell you we are not in the slightest degree concerned as to every dollar and more being realized. When there is any reasonable prospect that a mortgagor whose crops have failed, or who for some satisfactory reason is unable to meet his obligations, may be able at a future date to overtake his arrears and redeem his property, it is our invariable custom to assist him in every possible way with a view to keeping him on the land. We give the fullest and most careful consideration at all times to the circumstances of our borrowers. If, however, he is burdened with such heavy liabilities that neither he nor we can see any possibility of his ever getting from under, as unfortunately in these days proves too often to be the case, there is nothing to be gained by deferring proceedings till a purchaser can be found for the property, and we do not hesitate to take the necessary steps to acquire control of our security. We believe any other procedure would be deluding ourselves and misleading to the Shareholders.

Though for some time past there has been a minimum of purchasing ability and an absence of buyers for Western farm lands, due chiefly to the fact that a very large percentage of the farming population are already holding more land than they can successfully cultivate, and are consequently shouldering liabilities to which it would be unwise to add, you will be interested in knowing that in 1923 our sales of properties on hand aggregated upwards of $650,000, which was about ten per cent. in excess of the aggregate of the sums with which those properties were charged. I may add that a considerable portion of the excess has not yet been taken into our profits.

As the President has told you, the prospects for a revival of immigration, not only from Great Britain and Europe but also from the United States, are much more encouraging. The farmers of the Western and Central States are again beginning to realize the advantages Western Canada has to offer. With land obtainable at from one-half to one-third the price of farm lands in the Western States, land which year after year produces a much higher yield per acre, of a superior quality of wheat, for which a higher price is obtained in the world's markets, with freight rates from seven to ten cents per bushel less than for the same distances in the United States, and with cheaper water transportation to Europe, it is quite apparent that the Canadian farmer has advantages which enable him to produce wheat at materially lower costs per bushel than the farmer to the south of the boundary, which no doubt accounts for the fact that Canada has become the leading wheat exporter of the world. These are facts which have been fully substantiated by evidence before a Committee of Congress and are set out at length in a report by the United States Secretary of Agriculture on "The Wheat Situation."

When it is remembered that the farm lands we have for sale are improved farms, under cultivation, with a proper proportion of summer-fallow kept in good condition, with suitable buildings in most cases, ready for the purchaser to immediately move on and produce a crop, and that we are in a position to sell them at prices less in many instances than were readily obtained a few years ago for wild unbroken prairie, you will appreciate our confidence that these Assets will ultimately realize more than the amount at which they appear in the Balance Sheet. In the meantime, the rentals yield a return which, however, is not included in our profits.

While speaking of our prairie provinces, it may not be out of place to refer briefly to conditions affecting our business there. In the remarks I was privileged to make last year I endeavored to give a frank expression of the difficulties as they appeared to me and the manner in which those difficulties had been created. I also ventured the opinion that we were around the corner. Some may have supposed this to have been based "more on faith than sight" but my annual or more frequent visits to the West for a great many years have made me fairly familiar with what is transpiring there and have given me some insight into conditions affecting agriculture and business generally. If the older province of Manitoba had been blessed in 1923 with even an average crop we should have seen a much greater improvement in business. In the aggregate a record crop of more than 450,000,000 bushels of wheat was harvested, besides large quantities of other grains, and with the exception of Manitoba and a limited portion of Saskatchewan there was a heavy average yield of excellent quality. In Alberta, where more than 150,000,000 bushels of wheat were produced, the average yield was phenomenal. The harvest was unusually late, with threshing and marketing consequently delayed and rendered difficult by reason of the extraordinary quantity. Though new records in handling the grain have been established, large numbers of farmers have not yet been able to obtain returns and the railways will be actively engaged in carrying the large quantities remaining in the possession of the farmers well on towards the next crop season. This naturally delayed the receipt of interest and principal instalments and left a larger portion than usual to be collected after the end of the year. For the same reason, the 1923 crop has not yet had its full effect upon business generally.

In the less fortunate districts, particularly Southern Manitoba, we must recognize the fact that the immediate outlook is not cheerful. The remedy for the existing state of affairs lies in the adoption wherever it is practicable of more diversified farming. A noted economist has said "there is no buffer for deflation in a country of one industry." Fortunately there is at last a general recognition of the necessity for this change. Unfortunately in many instances this recognition has not come till those to whom the change is most necessary are not in a financial position to put it into effect. Their capital and credit have been so reduced that they are unable at present to acquire live stock. Of course, there are already on the prairie many thousands of dairy and beef cattle, swine and sheep, and much attention has been devoted to improving the quality of the herds, the success of which has been demonstrated by numerous championships and prizes taken at the Chicago and other Live Stock Shows, but mixed farming in a large way must necessarily be a gradual development.

In the meantime, other products which involve comparatively little capital expenditure are receiving increased attention. Among these poultry occupies a prominent place. Last year there were about nine millions of domestic poultry in Saskatchewan alone. Of these about half a million were turkeys, in which that Province ranks first among all the Provinces and States with the sole exception of Texas.

That we are again climbing the hill of prosperity there can be no doubt. The top may be beyond our present vision, and the way long and steep, but the cheering fact is that the descent into the valley of depression has come to an end, the valley has been crossed and the ascent begun. Let us look carefully to see that none of the brakes have been left on to impede our progress.

Mr. President, I most unhesitatingly concur in your statement that we have presented to the Shareholders a particularly strong Balance Sheet. Someone has said that, rather than follow the old proverb of dividing one's eggs among several baskets, he would prefer to put all his eggs in one basket provided he were able to watch the basket. This business of the Canada Permanent is the one thing in the world about which I have no illusions; that I know all about. If I did not, the forty-two years I have been closely associated with it would have been spent to little purpose. Practically all my eggs are in the Canada Permanent basket. It is my business to watch it and you may be certain that I am doing so. I assure you it is a good stout basket and thoroughly sound.

I cannot conclude without an expression of appreciation of the loyalty of our staff. No executive can achieve results without the loyal support of officials, sympathetic with its policies and zealously co-operating to make them more and more effective. In times such as we have been passing through every branch of the service has been called upon to give of its best and I am glad to believe has cheerfully responded. To each and all I take this opportunity of expressing our thanks.

The Vice-President, Mr. E. R. C. Clarkson, then said:

It is with much pleasure, Sir, that I second your motion for the adoption of the Report of the Directors, because I am sure we can all agree that it is an exceedingly good one.

It is a very pleasing retrospect to turn back to former Reports of this Corporation and find how substantial has been its advance almost all along the line. It surely speaks well for the Management and the continuous care shown in the investment of the Corporation's funds, no slight task when you consider the large figures dealt with.

On the 15th of last September, I accompanied the General Manager, on his annual tour of inspection of our branches in the North West and British Columbia, covering five weeks. We motored through a great deal of country adjacent to our branches, including one circuit of nearly 800 miles, north and west of Regina. It was harvest time, and the view I got of that country—a view from which there was hardly any escape—created in my mind the deep-set impression, that those great stretches of golden fields indicated a land worthy of a great people, prosperous and contented. We came cheek by jowl with the farmer, in person. We talked wheat and prices, transportation and weeds, and seasonal conditions, mixed crops and land, and the further we pursued our enquiries, the more we were convinced that of the great bulk of the farmers, prosperity came chiefly to those who cultivated farms of moderate area, largely by their own labor and that of their families, who avoided the credit purchase of large blocks of land, who raised mixed crops and whose great desire was to create a permanent home. This was the great motive that animated the settlers of old Canada, and remember what they succeeded in doing. Their freight rates were high and their transportation wretched. Their clothing was dear, but they raised what they ate and knew nothing of canned food. They had no motors but hauled their grain long distances to the nearest market. They had no electric light and the modern farm machinery was as unknown as an aeroplane. The name of the Ontario farmer to-day is and has been for years synonymous with prosperity, yet I venture to say that the greatest and most arduous effort in the lives of those Ontario pioneers was the clearing of their land — necessary, before any crop could be reaped, and taking long in its accomplishment. The contrast between the conditions with which they were confronted and those affecting the settler in our North West I need scarcely say, is wholly in favour of the latter. With the two to four feet of black, nitrogen and humus laden soil so common in great stretches of our West men can be contented and prosperous if they will, tilling only such an extent of land as their means and ability dictate, and doing it well. The land is there, cheap and accessible, ready to plough and ready to yield the return due to commonsense farming.

As I said before I think the Report just read reflects much care in the investment of our Funds. We are none of us magicians, but our Staff and Board are composed of experienced men who have more than once seen great fluctuations in the value of real estate and who use all the care possible to avoid making loans in which the element of danger can be perceived. We cannot control seasonal conditions or set aside periods of unwise expansion, but knowing the inherent dangers we do what our matured judgment dictates as wise, with each application for a loan as it comes before us for consideration.

The great test of the care shown, and which I am sure you will all appreciate, is provided in the lists of renewals which are submitted with other business every Wednesday for consideration by the Board. Almost invariably these show that substantial repayments of principal have been made, in addition to the payment of all interest, supplying us with steady income as we go along, and further enhancing the value of our mortgage securities.

I would like to make the very clear statement that this Corporation deals with those who borrow from it, in no narrow way. It recognizes the fact that its strength materially lies in the prosperity of those to whom it lends, and also that a bargain is seldom a good bargain unless both sides are satisfied. While it looks for repayment of the loans it makes, in terms of the arrangements made, it is always highly considerate to those who suffer temporary trouble and are deserving of further assistance.

Personal acquaintance with our branch managers in the Maritime Provinces, as well as in Ontario and the West, enables us to say with confidence and pleasure that they are, without exception, active virile men, capable and worthy representatives of this corporation, and are a great asset to it. I wish further personally to voice my keen appreciation of the outstanding ability of our General Manager, Mr. George H. Smith, with whom for five weeks I sought to discover the troubles and the advantages of our great North West. It pleases me very greatly to repeat what I said at our last Annual Meeting, that the Canada Permanent Mortgage Corporation, by reason of its age, its solidity and its magnitude, is worthy of a great General Manager, and that it has happily secured such in his person.

I join the President in his kindly gentle reference to the death of Mr. Massey. Mr. Massey had a great affection for this company of ours, which he served, so long and so well, and we may all rest content if we can render it a similar service and leave behind as enduring a remembrance, of the sweet attributes which illumined his life.

The President's motion to adopt the Report of the Directors was unanimously carried.

The election of Directors for the ensuing year resulted in the unanimous re-election of the retiring Directors, namely, Messrs. W. G. Gooderham, E. R. C. Clarkson, Col. Albert E. Gooderham, F. Gordon Osler, William Mulock, K.C., George W. Allan, K.C., of Winnipeg, Archibald B. Campbell, W.S., of Edinburgh, William Stone, George H. Smith, and Norman Mackenzie, K.C., of Regina.

Messrs. Henry Barber and A. E. Osler, Chartered Accountants, were re-appointed Auditors for the current year.

At a subsequent meeting of the Directors, Mr. W. G. Gooderham was re-elected President and Mr. E. R. C. Clarkson, Vice-President.

CRERAR THINKS THAT WEST HAS TURNED CORNER

Says That Farmers Going in for Mixed Farming

From Our Own Correspondent.

WINNIPEG.—Hon. T. A. Crerar leader of the western grain growers, president and general manager of the United Grain Growers, Limited, former minister of agriculture, gives no interviews but he talked to your correspondent about western conditions, the prospects for 1924 and afterwards, in the prairie provinces, immigration for 1924, the Hudson's Bay railway, and other items in which western business men are interested.

He and other leading western people were asked by your correspondent the question, what percentage of the farmers of the prairie country were in financial trouble and what percentage are in a safe position. S. L. Cork, the chief officer of the Royal Bank in this city, said that the bank had quite a number of farmer customers, even in the dry areas, who had improved their position in the past two years. These were competent farmers who are engaged in diversified agriculture. C. G. K. Nourse, manager in Winnipeg for the Canadian Bank of Commerce, said that it was difficult to calculate a percentage owing to the rapid changes which occur in the area. Last year the plight of farmers in southern Alberta was serious while Manitoba farmers were regarded as prosperous. This year southern Alberta farmers are realizing from a bumper yield and Manitoba is estimating the cost of the appearance of rust.

It is pointed out here that the troubles, from which the Manitoba prairie country suffer, can readily be listed, and when they are listed an estimate can be made of the prospects for the future.

The troubles of the farmer are due in part to an abrupt drop in the price of grain and other products of the farm, while goods which the farmer is compelled to buy, including implements, have not declined in price correspondingly. Trouble has also been caused by exclusive devotion to grain growing to the exclusion of cattle raising and dairy farming, by economic mistakes due to the over-buying of land and equipment of various kinds, by excessive taxation by federal, provincial and municipal governments, and, in parts of the country, in spite of the large crop on the whole, there was crop failure. Retailers are in consequence unable to collect, and are doing little business in considerable sections of the country.

Crerar is Confident

Mr. Crerar, however, believes that the west has turned the corner. In Alberta and western Saskatchewan there was a large number of farmers who had a surplus in 1923, and who were able to reduce their indebtedness, while in eastern Saskatchewan and Manitoba there were smaller numbers of farmers who were also able to reduce their obligations or who ended the year with a balance on the right side.

Mr. Crerar states that from the head of the lakes to the mountains, wherever there are farmers, they are economizing, and turning to diversified agriculture, and he believes that within three or four years most of the economic mistakes of the past may be rectified.

With reference to immigration, he states that Canada can get a good class of settlers in Great Britain and the United States if the country goes after them, and that these people can be absorbed successfully in the prairie provinces.

Miners Back Lewis Against Red Policy

INDIANAPOLIS. — During the biennial convention of the United Mine Workers of America the American brand of trade unionism was sustained by a vote of approximately 1,600 to 300 against the violent methods of the Red Trade Union International. The issue was the upholding of the course of President John L. Lewis and the International Union executive board in revoking the charter of district 26, Nova Scotia, and of dismissing its officers for failing to call off an illegal and unauthorized strike last July.

Lower Taxes Demanded on Behalf of Workers

The universal nature of the demands on Ottawa for taxation relief are indicated by the fact that a reduction is being demanded on behalf of the workers. The following is from The Labor Leader:

The income tax is too high, particularly on incomes from $2,000 to $10,000 per year. The new sales tax is an outrage. The cost of government is too great. It is time Canadians did something to remedy these evils, if the workers of Canada are to be retained as citizens of the country they love. "The Labor Leader" contends that the present administration and the one that preceded it have not been fair to the workers of Canada, and have not legislated in the best interests of the common people, and we certainly claim that they both have been unnecessarily extravagant and that Canada is paying too much for their services.

DR. C. W. COLBY, president for a number of years of the Noiseless Typewriter Co., who on the merger of the Noiseless with the Remington Typewriter Co., will become chairman of the board of the Remington Noiseless Corporation, is a Canadian and a director of the Canadian Bank of Commerce. Dr. Colby was for a number of years a member of the staff of McGill University, specializing in modern history.

1922-23
The Provincial Bank of Canada

Incorporated by Act of Parliament July, 1900

HEAD OFFICE: 7 and 9 Place d'Armes Square, MONTREAL, Canada

Capital Authorized: $5,000,000.00
Capital Paid Up and Surplus: $4,500,000.00 (as at November the 30th, 1923)

BOARD OF DIRECTORS

President: Honorable Sir Hormisdas Laporte, P.C., ex-Mayor of Montreal; President "Laporte-Martin Limitee": President "Societe d'Administration Generale"; Vice-President "Credit Foncier Franco-Canadien."

Vice-President: Mr. W. F. Carsley, Montreal.

Vice-President: Mr. Tancrede Bienvenu, Director "Lake of the Woods Milling Co."; Director "Credit Foncier Franco-Canadien"; Local Trustee "Guardian Assurance Co., Ltd."

Mr. G. M. Bosworth, Chairman "Canadian Pacific Steamships, Limited."

Honorable Nemese Garneau, C.L., Quebec, President "Les Prevoyants du Canada."

Mr. Emilien Daoust, President "Libraire Beauchemin Limitee"; Montreal Harbour Commissioner; President "L'Ecole des Hautes Etudes Commerciales de Montreal."

Mr. S. J. B. Rolland, President "Rolland Paper Co., Limited."

BOARD OF CONTROL FOR SAVINGS DEPARTMENT

President: Honorable N. Perodeau, Lieutenant-Governor for the Province of Quebec.

Vice-President: Mr. J. Aug. Richard, President "Fashion-Craft Manufacturers, Ltd."; Commissioner-Censor "Credit Foncier Franco-Canadien"; Director "l'Universite de Montreal."

Honorable E. L. Patenaude, P.C., M.P.P., Director "L'Alliance Nationale."

HEAD OFFICE

TANCREDE BIENVENU, General Manager.
M. LAROSE, General Superintendent. J. A. TURCOT, Secretary.
CHS. A. ROY, Credit Department.

TWENTY-THIRD GENERAL ANNUAL MEETING OF THE SHAREHOLDERS, HELD ON THE 6TH OF FEBRUARY, AT 12 O'CLOCK NOON

REPORT SUBMITTED BY THE BOARD OF DIRECTORS AT THE ANNUAL MEETING FEBRUARY 6, 1924.

Gentlemen:—

We beg to submit to you our Report for the term ending November 30, 1923. In our two last Reports we pointed out the unfavourable influence of the world-wide crisis on business in general. The resulting unrest was less intense during the past term, and this was attributable to the abundant harvest from which the whole of Canada benefited. However, both our Country and the United States, whose good or ill fortune necessarily influences our own, have not escaped the repercussion of what has been happening in Europe, and as long as international, financial and economic problems shall not have been solved, the present unrest will continue.

During the last year, the cost of living has not diminished, and the statistics furnished by the Department of Labor at Ottawa show that the budget of a family of five members in a city, requires an average of $21.18 each week for 1923, as against $21.15 for 1922, and the cost-price of 29 absolutely necessary food-products was $10.73 for 1923, as against $10.30 for 1922, while it was only $7.96 for the year 1914. Such a situation is cause for serious reflection.

Before speaking of the business of your Bank, it is with sorrow we recall the irreparable loss which the Bank suffered in the death of the Honourable Sir Alexandre Lacoste, President of the Board of Censors since its foundation. He gave to the Bank his most devoted assistance, and the renown which came to him as jurisconsult and also as Chief Justice of this Province, contributed in a very large degree to the success of the Bank. We are assured that you, Gentlemen, share the regret which his death has caused.

The Honourable Mr. Perodeau, N.P., heretofore Vice-president of the Board of Censors, was called to replace The Honourable Sir Alexandre Lacoste, as President of the Board. The Bank is highly honoured by the fact that the Lieutenant-Governor of the Province of Quebec is a member of this Board. We avail ourselves of the present occasion to offer to the new Lieutenant-Governor our very sincere congratulations.

The Honourable E. L. Patenaude, advocate, and member of the Provincial Parliament, was named to fill the vacant seat; and henceforward the Bank will have the advantage of and will benefit by the assistance of this distinguished Canadian, and we have no doubt that you will approve of this fortunate nomination.

During the period under review, the operations of the Bank properly speaking were necessarily less active in consequence of the continued crisis, and for this reason great prudence had to be had, so as to avoid bad loans, for, as you are aware, failures in business were numerous. There is, we are glad to say, perceptible diminution in the number since some time, and we believe that such changes as have been made in the Bankruptcy Law, have contributed to this result. The Department of Commercial Loans is constantly under the careful observation of the Executive of the Bank, and your Directors have always taken the necessary means to keep themselves well informed as to the true condition of the assets.

The Board of Directors has always been composed, as you are aware, of men whose character and thorough knowledge of business have been reliable assurance of the value of its assets. Doubtful debts due to the Bank have been provided for by reserves considered more than sufficient by the auditors of the shareholders, as their certificate testifies.

The total assets of the Bank on the 30th of November last, amounted to the sum of THIRTY-SEVEN MILLIONS OF DOLLARS, and of this amount the sum of $19,339,000 represents the liquid assets, of which $6,550,000 in cash and in Bank balances, $7,633,000 in governments, municipal, school and other corporation Bonds, and $5,105,000 of Call Loans secured by Stocks and Bonds; that is, in all 59% of the amount due to the public for deposits, etc., amounting to $32,797,000. With a view of complying with the special regulations of the Bank which require at all times, that the liquid assets be equal at least to 50% of all savings deposits, your Board of Directors subscribed for ONE MILLION AND A HALF ($1,500,000) to the last loan floated by the Dominion of Canada. The policy of the Board has always been to maintain liquid assets at a very high percentage in respect of the obligations or deposits due to the public; the proper administration of a Bank receiving deposits necessitates this as a measure of prudence, for it should always be ready to meet any eventuality.

As foreseen and according to the information contained in our last Report the balance of special deposits from the Bond issues of the Cities of Paris and Soissons, France, was reimbursed in the course of the period under review, and the figure amounted to $3,611,000. Taking into consideration this large and altogether extraordinary reimbursement, our ordinary deposits nevertheless show an increase of $3,769,000 up to the 30th November last. We also take pleasure in informing you that during the last year the number of the Bank's depositors has considerably increased.

Considering the disturbed conditions of Banking business during this last year especially, we have reason to be pleased wth this notable increase in our deposits, the more so as this demonstrates the undoubted confidence of the public in your Bank.

The period under review closed with a profit of $583,696, after deduction of necessary reserves and of all costs and provisions for possible losses. This sum represents 13.73% on the paid-up capital of the Bank, $3,000,000.

Because of the difficult times through which the country is passing of late years, your Board of Directors have always sought in commercial transactions for security as much as possible, rather than volume of business or profits.

We believe it useful and even necessary to inform you of the total amount of taxes paid to the diverse administrations, Federal, Provincial or Municipal, during the period under review, and to state that it amounts to the relatively large sum of $156,405.44.

Again we have to congratulate ourselves on the loyalty of our shareholders. The holding of the Bank's shares by an increasingly large number of shareholders (2,191) and the excellent classification resulting, grouped as they are in the different localities where a Branch of the Bank is established, is an element of strength which we are pleased to recognize.

Since your last meeting, ELEVEN regular branches have been opened, bringing the number to ONE HUNDRED AND TWENTY-TWO, all established in the Provinces of QUEBEC, ONTARIO, NEW BRUNSWICK and PRINCE EDWARD ISLAND.

The Head Office and all our Branches have been visited during the last year by inspectors and competent officers.

The auditors, appointed in conformity with the Bank Act at your last meeting, have made a careful examination of the assets and liabilities of the Bank, and their complete satisfaction is stated in the certificate attached to the annual statement.

The Censors re-elected at the last general meeting have given as usual their most careful attention to the interest of the Bank; the monthly work required of them by the regulations of the Bank has been regularly accomplished, as their Report which will be presented to you shows.

Merger With Other Banks

Although the question of the merger of French-Canadian Banks occurred after the close of the last fiscal year, we consider it proper to recall our circular-letter of the 31st of December last addressed to all shareholders, and which reads as follows:

"Montreal, December 31, 1923.

"To the Shareholders of
"THE PROVINCIAL BANK OF CANADA.

"Our Bank has again been asked to "amalgamate with the HOCHELAGA "BANK and LA BANQUE NATIONALE, Head Office, Quebec.

"We have decided not to lose our "identity, and have declined the offer, "which course, we are glad to say, has "already been approved by many of "our important shareholders.

"Consequently, the PROVINCIAL "BANK OF CANADA, which owes its "prosperity particularly to its special "regulations, and to the large proportion of regularly maintained LIQUID "ASSETS, which results, therefrom, "will as in the past, continue its same "policy, and offer the highest security "to the depositing public.

"We know that you will be pleased to "learn of the action of the Board in "this matter. Under the circumstances, this wise decision was the "only one that could commend itself "in the interest of our customers and "shareholders.

"For the BOARD OF DIRECTORS,
"H. LAPORTE, President,
"TANCREDE BIENVENU,
"Vice-President and General Manager."

It is not necessary, in our opinion, to add any comment on this subject other than to communicate to you the fact that the decision of your Board of Directors in this serious matter has received the approbation of a great number of our principal shareholders, of leading citizens and of eminent members of the clergy. We are convinced that you will ratify this decision.

The French-Canadian Banks will, therefore, remain for the service more particularly of French-Canadians in Canada. The result for your Bank, if this merger of the other two Banks is carried out, will necessarily be an increase of business, by reason of the fact that we will then open a number of branches in the principal towns of this Province which hitherto were served by the two other Banks.

The revision of the Bank Act brought nothing new either in principle or in practice: the privileges of Banks remain what they were, and the only changes increased the authority of the auditors and the responsibilities of the Directors. We may state, however, that in the opinion of your Directors these changes add nothing to the stability of Banks, for it is well understood that success in all kinds of business depends on the integrity, intelligence and business-sense of the men in charge.

As in the past, the Bank's staff has continued to demonstrate proof of intelligence, devotion and application to duty: and, we consider it will be but right that you should join your Directors to express your appreciation of the services rendered by the principal officers of the Bank, the Managers of the Branches, and by all the Bank's employees.

For The Board of Directors,
(Signed) H. LAPORTE, President.
(Signed) TANCREDE BIENVENU,
Vice-President and General Manager.

Report submitted by the Board of Censors for the Fiscal Term 1922-23

Gentlemen:

We have the honor to submit that in compliance with the duties imposed on us at the last General Annual Meeting, we have examined monthly the investment securities held by your Bank, and that the result of this examination has always been to our entire satisfaction.

We have, therefore, regularly verified every month that the investment securities of the Bank added to the amount in Treasury, were more than sufficient to meet the requirements of your bylaws concerning the proportion of Liquid Assets of the Bank.

The period under review has been marked by an event to which we must refer, that is, the death of the Honourable Sir Alexandre Lacoste, President of your Board of Control ever since its foundation.

We deeply sympathize with your Directors in their bereavement.

It affords us great satisfaction to refer to the continuous progress of your Institution. The constant increase in the number of your depositors, and consequently, in the total amount of the deposits, is an evident proof that your Bank is highly appreciated by its customers as well as by the public, and that every one realizes that your Directors are guided by the sound principles essential to the good administration of a Bank.

We, therefore, beg, Gentlemen, to advise you to approve, as submitted, the accounts of the Fiscal Term 1922-23.

For the Board of Commissioners-Censors,
(Signed) N. PERODEAU,
President.

THE PROVINCIAL BANK OF CANADA

PROFIT AND LOSS ACCOUNT as on November 30th, 1923.

CREDIT

Balance at credit of Profit and Loss account, June 30th, 1922		$ 25,898.33	
Profits for the fiscal year ended November 30th, 1923, (17 months' operations) after deducting charges of management, interest due to depositors, rebate on current discounts ($88,045.21) and provision for losses and doubtful debts		583,696.14	
			$ 609,594.47

DEBIT

Appropriated as follows:

Five quarterly dividends and one dividend covering a period of two months, from October the 1st to November the 30th, 1923 (the latter date now being the end of our fiscal year as per resolution of the shareholders, adopted at their General Meeting of August the 9th, 1922), at the rate of 9% per annum on paid up capital as follows:—

Paid October 2, 1922	$67,500.00		
Paid January 2, 1923	67,500.00		
Paid April 3, 1923	67,500.00		
Paid July 3, 1923	67,500.00		
Paid October 1, 1923	67,500.00		
Payable December 1, 1923	45,000.00		
		$382,500.00	
Dominion Government taxes on Bank note circulation and provision for income tax		75,315.67	
Amortization in full of the cost of installation of branches		10,737.09	
Transferred to "Contingent Fund"		115,000.00	
		583,552.76	
Balance of Profit and Loss carried forward		26,041.71	
			$ 609,594.47

RESERVE FUND:

Balance at credit, November 30th, 1923	$1,500,000.00

Reserve for the organization of a Pension Fund for Officers and Employees: Investments made according to the prescriptions of the Bank Act	$150,000.00

General Statement of the Bank on November the 30th, 1923.

LIABILITIES

Deposits not bearing interest	$ 4,791,112.80
Deposits bearing interest including interest accrued to date	24,584,462.45
Balance due to Dominion Government	73,280.86
Balances due to Provincial Governments	276,561.36
Balances due to other Banks in Canada	1,364.35
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	1,162.33
	$29,727,944.15
Notes of the Bank in circulation	3,016,059.00
Unclaimed dividends	8,155.44
Dividend for two months, payable December the 1st, 1923	45,000.00
Total obligations to the Public	$32,797,158.59
Capital Stock paid in	3,000,000.00
Reserve Fund	1,500,000.00
Balance of Profit and Loss carried forward	26,041.71
	$37,323,200.30
Liabilities not included in the foregoing	51,385.32
	$37,374,585.62

ASSETS

Gold and Silver coin current		$ 175,804.97
Dominion Government Notes		1,349,198.00
Notes of other Banks		440,860.00
United States and other foreign currencies		17,722.00
Cheques on other Banks		2,304,799.19
Balances due by other Banks in Canada		2,083,250.11
Balances due by Banks and Banking Correspondents elsewhere than in Canada		278,391.76
		$ 6,650,026.03
Dominion and Provincial Government Securities not exceeding market value		3,385,937.09
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value		2,723,087.55
Railway and other Bonds, Debentures and Stocks, not exceeding market value		1,524,711.95
Call and Short (not exceeding 30 days) loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		5,105,899.71
Grand Total		$19,389,662.33
Loans to Cities, Towns, Municipalities and School Districts	$1,720,655.03	
Other current loans and discounts in Canada, after making full provision for all bad and doubtful debts	14,357,566.69	
	16,078,221.72	
Less rebate of interest on both items	88,045.21	
		$15,990,176.51
Deposit with the Dominion Government to secure Bank note circulation		151,565.00
Non current loans, estimated loss provided for		133,036.30
Real Estate other than Bank premises		91,458.38
Bank premises including furniture and fixtures, at not more than cost, less amounts written off		1,353,105.39
Mortgages on Real Estate sold by the Bank		81,980.94
Other Assets not included in the foregoing		183,600.77
		37,374,585.62

Compared with the books and found correct:
(Signed) J. R. CHOQUET,
Chief Accountant.
(Signed) E. LANGLOIS,
Inspector of Branch Returns.

For the Board of Directors:
(Signed) H. LAPORTE, President.
(Signed) TANCREDE BIENVENU,
Vice-President and General Manager.

SHAREHOLDERS' AUDITORS' CERTIFICATE

To the Shareholders of
THE PROVINCIAL BANK OF CANADA

In accordance with the provisions of sub-sections 10 and 11 of section 56 of the Bank Act, we report to the Shareholders as follows:

We have examined the above balance sheet with the books at Head-Office, and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

The cash at the principal office and the securities representing the investments of the Bank and the guarantee of loans, have been checked and verified and found in order.

The above statement referred to in the report of the Directors is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs during the term July 1, 1922 to November 30, 1923, after provision for losses and doubtful debts, and without taking into account the special reserve fund to provide against unforeseen contingencies, the whole according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

(Signed) J. A. LARUE, C.A., L.I.C.,
(Signed) ALEX. DESMARTEAU, C.A., L.I.C.

Montreal, Dec. 22nd, 1923.

At a subsequent meeting of the Directors, the following officers were elected: Honorable Sir Hormisdas Laporte, P.C., President, and Messrs. W. F. Carsley and Tancrede Bienvenu, Vice-Presidents.

And at a meeting of the Commissioners-Censors held immediately after the Directors' meeting, The Honorable N. Perodeau, Lieutenant-Governor, was elected President, and Mr. J. A. Richard, Vice-President, for the ensuing year.

CANADIAN BOATS USE CANAL ROUTE FROM EAST TO B.C.

Two Boats Through Panama Last Season and More Next

SAVINGS IN FREIGHT

Likelihood of Further Use of Panama Canal in the Future By Canadian Manufacturers

From Our Own Correspondent.

MONTREAL.—Canada has begun to take advantage of the Panama Canal, and, during the past year, a great deal of freight destined from Eastern Canada to Western Canada, or in the reverse direction, was shipped through Uncle Sam's big ditch in the tropics. One boat, the Margaret Coughlin, started the traffic this summer and was successful in making a number of trips in each direction on a profitable basis. The charterers of the Margaret Coughlin are pleased with the success of their experiment and will likely have two or three boats running between Montreal and Vancouver, via the Panama Canal during the next season. One other boat made experimental trips from Lake Ontario ports to British Columbia.

Put Four Boats In Service

Other companies are likely to come into the field, and it is understood that an attempt is being made to promote a new steamship company that would put four boats in service between the East and West, and that would provide a regular service during about seven months of the summer sailing season. While the Margaret Coughlin only ran out from Montreal, the new service would likely run from Toronto and Hamilton, stopping at lake ports and St. Lawrence ports, then out through the gulf and via the Panama Canal to Vancouver and Victoria.

All sorts of freight has been carried during the past year, including both heavy and package commodities. There has been some diffidence on the part of shippers of perishable goods towards using the Panama route, because of the fear of the tropical heat. It is claimed, however, that the heat in the canal zone is not greater than that reached at times on the docks of Montreal. Of course, goods that cannot sustain the long period of time required for the journey cannot be shipped. But almost any manufactured product of Ontario or Quebec factories can be shipped.

The question has been raised as to the possible effect on an all-Canadian route of the establishment of a Canadian customs office in New York. At the present time some Canadian cargoes are sent from Ontario points to New York by rail and there loaded on boats for British Columbia. It is to facilitate similar movements to this that a customs office is being established by the Canadian government in New York. Those who plan to operate the Toronto-Vancouver, or Montreal-Vancouver route, feel, however, that the savings in freight and handling costs will enable them to compete successfully not only with all-rail transportation but with shipments via New York.

Three years ago cargos through the Panama Canal averaged less than 10,000,000 tons a month. Now they average well over 20,000,000 tons a month. This increased popularity of the canal route is evidently extending to Canadian shippers, and during the next few seasons manufacturers may expect further developments in steamship service between Eastern and Western Canada, via the canal, taking in not only Great Lakes ports but the St. Lawrence ports, Halifax, and St. John, and the West Indies, as well as Victoria and Vancouver at the other end of the trip.

REORGANIZATION OF B.A.N.C. ATTACKED

The J. O'Brien, Limited, Object to Change in Position of $625,000 Bonds

Was the reorganization of British American Nickel Co. in 1921 binding on the holders of first mortgage bonds issued in 1916? By the reorganization the 1916 mortgage bonds became junior to another $6,000,000 bond issue. M. J. O'Brien Limited held $625,000 of the 1916 issue and are now before the courts seeking a declaration that they are not bound by the reorganization. They want their money returned with interest. This action follows an attempt to prevent the reorganization by court injunction. The effort failed but O'Brien Limited were allowed to go into court to have their rights determined.

The 1916 issue was held by the plaintiffs, along with J. R. Booth and associates $1,500,000, and British Government $3,000,000 for advances made. The security it is held was all properties and plants. The 1921 proposal was to issue $6,000,000 first income bonds, interest 10 per cent., to be a first charge on property and plant and $6,000,000 "A" income bonds, payable 1950, interest 6 per cent., to be a charge on the property after the first income bonds. It was proposed to make the holders of first mortgage bonds accept "A" income bonds in place of their security.

CANADA'S APPLE CROP

HALIFAX.—Government statistics estimate the apple crop of Canada for [illegible] at 10,800,000 boxes, which, at an estimated average of $2.00 per box, [illegible] the value a little over $21,000,000. [illegible] provinces the estimated production [illegible] follows: Nova Scotia, 5,250,000; British Columbia, 3,124,000; Ontario [illegible]; Quebec, 110,000; and [illegible], 85,000.

Where the Tax Money Goes

Red Tape Record No. 1

A Montreal produce dealer brought a car load of eggs from Winnipeg. The merchant got busy and sold the eggs to a dealer in Ottawa and he shipped the car to that city. A couple of days later a government official landed in Montreal from Ottawa and informed the merchant that he had made a mistake in shipping eggs from Quebec to Ontario without having them inspected at the point of shipment. "Well, the eggs are in Ottawa now," said the produce man. "Send your inspector over and have him look them over." But the government official would not permit that. The eggs had to be freighted back from Ottawa to Montreal; a government inspector came all the way from Ottawa and inspected them; and then the shipment was sent back to Ottawa, while the inspector also returned to his comfortable office in that city.

Red Tape Record No. 2

Practically every militia regiment in Canada has a large surplus stock of military uniforms of the red coat type used before the war. But they are not permitted to use them. The government supplies them with khaki uniforms and to fill the demand is to-day purchasing new uniforms for military regiments that have their store rooms full of clothes their members would like to wear but are not permitted to wear. One of the most important regiments sent in a request to Ottawa for permission to wear the uniforms it owned. The reply was another batch of uniforms. But of course there are the textile maker and the uniform maker to be considered.

Red Tape Record No. 3

A packing house sells sliced bacon in packages. In selling packaged bacon it is not customary to use the ends of each piece of bacon. These are good, solid meat but do not slice well. To prevent loss, arrangements were made to sell the ends to a pork and bean cannery. But the government inspector stepped in and said, "You cannot sell those end pieces unless each one is stamped with the government stamp." But no one could invent a rubber stamp that would leave a legible mark on the end of a piece of bacon, so they could not be sold to the canners and are now ground up as fertilizer.

Frugal Administration Might Give Labor Long Lease of Power

By JAMES MAVOR, Ph. D.

The accession to power of a Labor government, even if it is without a majority in the House of Commons, makes manifest a change which has been gradually taking place in Great Britain. This change is not the passing of political power into the hands of the working class, but is merely due to the very natural exhaustion of the political groups which, up till now, have succeeded in keeping new hands upon the tiller of the state. The strain of the war, and not less the strain of the complexities of the peace, exhausted them, and for some time has prevented men from exhibiting resilience in facing the new domestic and international problems which they were continually encountering. They were tired out. The magnitude of the obligations of the country paralyzed them. Under these conditions the Labor party has come into power. Those who are at the head of this party are fresh to the business of administration, and there is certainly a disposition in Great Britain to give them a fair chance. If they respond to this opportunity, one of the consequences may be the disappearance of the old political parties, and the appearance of two new groups, one relatively progressive and the other relatively conservative, and these groups will alternately form governments as public opinion oscillates. While the new government has been placed in power, apart from the accidental circumstances by which its accession has been accomplished, by the Independent Labor party, headed by Mr. Ramsay Macdonald, very few of the real leaders in the party are, or have ever been, laborers in the strict sense, and still fewer have been labor agitators. Many of them, like Sir Sydney Olivier and Mr. Sydney Webb, have been civil servants, many of them have held minor offices in the government, and many of them are professional men. The emphasis which has been laid upon the humble origin of some of them is quite out of place. Humbleness of origin has long ceased to be a barrier to high office in Great Britain. Those who plead humbleness of origin as the reason for unsatisfied ambition are usually deluding themselves. Many members of previous governments have had origins quite as humble as any of the present government. The speaker of the House of Commons, a few years ago, was the son of a prize fighter. The House of Lords has ceased to be under the domination of the landed aristocracy. Many peers are the sons of men of humble origin and of small means.

Practically all of the members of the new government belong, and most of them have belonged all their lives, to the middle class, to which class indeed most of the members of the governments of Great Britain for over half a century have belonged. The general level of natural ability of the new government is probably not inferior to that of foreign governments. The course of their conduct will determine whether or not, in respect to character, good manners, and devotion to the service of the people, they are the equals of those who have preceded them. The chief point is that they are nearly all fresh to the business of administration.

Mr. Thomas, the new Colonial Secretary, appears to be fond of alluding in sentimental terms to his lack of university education. This deficiency can easily be overlooked; but if he lacks the education necessary for a colonial secretary to possess the reasons for this condition are not so important as the reasons for his appointment to a position for which education was an indispensable condition.

Freshness to administration taken by itself is at once an advantage and a disadvantage. The new administrators are not necessarily trammelled by the precedents of their new office, though they may be hampered by the prejudices of their previous employment, and they have no relevant precedents to guide them.

Insofar as the Labor government attempts to fulfil its pre-election pledges to Labor, it is likely to find itself in difficulties, because the problems solved on the platform with facility may appear to a closer view to contain elements by no means easily manipulated.

The members of the new administration are naturally anxious to show that a Labor government can govern and can be of advantge to the workers; but the process of which this advantage can be made to accrue is not yet very clear either to themselves or to anyone else. They know very well that the organic life of the community proceeds by certain laws which cannot be infringed with impunity, and that the powers of all governments to carry out great schemes of social progress are very limited.

The Labor Government, no matter how good its intentions may be, and no matter how sincerely desirous it may be to secure the welfare of the nation in general, must find at least two dangers in its path.

One of these is the danger they must incur from the pressure of the less instructed and more agitative of the elements of which the party is composed. Orators who may be effective in rousing public opinion against authority are not always the wisest of counsellors when they come to have influence over authority. Destructive criticism is much easier than positive constructive effort. A Labor party above all other political parties runs the risk of being wagged by its tail.

The other danger is an inevitable outcome of inexperience. The public offices of State in Great Britain are by no means so much under the control of their nominal political heads as such offices are in the Dominion of Canada, for example. The real heads of the great departments of the Foreign Office, the Board of Trade, the Local Government Board, the Treasury are officials of experience who have been at the business of administration all their lives; any attempt to change their methods would be certain to produce confusion, yet any political head of a department who permitted himself to be dominated by the permanent officials would be a mere cipher. Great knowledge of the world and of men is indispensably necessary to enable a departmental head to steer a course which will be at once independent and efficient.

(Continued on page 19)

ARSENIC DEMAND FOCUSES ATTENTION ON ONT. DEPOSITS

U. S. Will Require Five Times the World's Production for Cotton Crop

The U. S. Bureau of Entomology estimates that 150,000 tons of refined arsenic will be needed this year to fight the boll weevil in the cotton crop of the south. This is five times the world's annual production. As a result attention is being focused on Canadian arsenical deposits and several U. S. firms have been looking over high grade deposits, such as that of Joseph James in Hastings County, Ontario. It is understood that New Yorkers are at present considering the purchase of this property.

It has been known for years that the above deposit was about the highest grade in the world, but any attempts to purchase it always faced the condition that the actual treating of the ore would have to be done on the property. In other words Mr. James has contended that the operation should be a Canadian one on Canadian soil. Offers submitted so far have evolved the shipping of the arsenic concentrates out of the country. Mr. James wants the roasting done at Hastings.

An analysis of the ore on the James property shows that there is a sufficient gold content to pay for the mining and extraction of the gold leaving the arsenic concentrates as a profit. In some cases assays show that there would be an actual profit on the gold. The gold content is $3 to $4 average while the ore runs 10 per cent. in arsenic.

The property is 400 acres in extent and has two water power sites which would provide cheap power. The estimate of the U. S. Government agents places the cotton acreage at 34,852,000 requiring 25 pounds of arsenic each. A report of the Natural Resources Bureau at Ottawa deals with arsenic as a factor in agriculture, it having been found by tests to stimulate on low concentration, acting on all beneficial bacteria. This holds out quite a future for arsenic in Canada. Mr. James says it is his desire to see a large arsenic and insecticide plant erected in Hastings. He is 70 years of age, but hopes to live to realize his dream for the good of the section he has spent his life in.

MELLON TAX PLAN CUTS LOWER LEVIES

Some Typical Figures to Show Benefits to Man With Salary of $4,000 a Year

From Our Own Correspondent.

OTTAWA.—There is an erroneous impression that income tax reduction proposals benefit almost entirely those with large incomes. This is a very great mistake. Take the case of the Mellon proposals, the adoption of which, by the House committee, is a long step in the direction of their final adoption by Congress. It is true that through fixing the maximum surtax at 25 per cent., the man of large income benefits greatly, but the same is true of the man of moderate income.

Under the Mellon scheme in the United States the man with a wife and two children, having an income of $4,000, derived from salary or fees, and which is thus known as "earned" income, will only pay $22.50 taxes. For himself, his wife and two children, his exemption will be $3,000. On the $1,000 taxable the rate is $30; but he will be entitled to a 25 per cent. reduction because his income is "earned."

In Canada, such a man has to pay on $1,400, the rate on this being 4 per cent. flat, the total amount of the tax being $56.

To some this may not seem to be much, but it is considerable when one takes into account that the difference, $33.25, represents the savings' bank interest for a whole year on $1,100.

The Grain Movement

OTTAWA.—Preliminary figures showing the receipts at head of lakes, also Vancouver, B.C., for the period from September 1, 1923 to January 25, 1924:

	Fort William and Port Arthur	Vancouver B.C.
Wheat	230,076,950	18,760,222
Oats	24,866,868	127,992
Barley	9,966,617	......
Flax	3,407,412	......
Rye	4,100,242	121,817
Total	272,418,089	19,010,031
Same period 1923	237,421,098	9,968,704
Increase over last year	34,996,991	9,041,327

BANK OF MONTREAL

NOTICE IS HEREBY GIVEN that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this institution has been declared for the current quarter, payable on and after Saturday, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1924.

By Order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 22nd January, 1924.

LAKE OF THE WOODS MILLING COMPANY LIMITED

DIVIDEND NOTICES

NOTICE IS HEREBY GIVEN that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending February 29th, 1924, has been declared payable on Saturday, March 1st, 1924, to Shareholders of record at the close of business on Saturday, February 16th, 1924.

By Order of the Board.

M. H. HUTCHISON,
Assistant-Secretary.

NOTICE IS HEREBY GIVEN that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending February 29th, 1924, has been declared payable on Saturday, March 1st, 1924, to Shareholders of record at the close of business on Saturday, February 16th, 1924.

By Order of the Board.

M. H. HUTCHISON,
Assistant-Secretary.

The Canadian Bank of Commerce

DIVIDEND No. 148

NOTICE IS HEREBY GIVEN that a dividend at the rate of Three per cent. has been declared on the capital stock of this Bank for the three months ending 29th February, 1924, payable at the Bank and its Branches, on and after Saturday, 1st March next, to shareholders of record at the close of business on the 14th day of February, 1924.

The dividend payable on the new stock issued this month will be at the rate of two per cent. only.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 18th January, 1924.

The Royal Bank of Canada

DIVIDEND No. 146

NOTICE IS HEREBY GIVEN that a Dividend of Three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Saturday, the 1st day of March next, to shareholders of record at the close of business on the 15th day of February.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., January 15, 1924.

DIVIDEND NUMBER 120

Hollinger Consolidated Gold Mines, Ltd.

(No Personal Liability)

A DIVIDEND of 1% on the outstanding capital stock of the Company has been declared payable on the 25th day of February, 1924, on which date cheques will be mailed to shareholders of record at the close of business on the 7th day of February, 1924.

Dated the 31st day of January, 1924.

D. A. DUNLAP,
Treasurer.

INVESTMENTS
Stocks and Bonds for investment bought and sold on all principal exchanges. Private wire New York and Toronto.
OSLER, HAMMOND & NANTON
WINNIPEG

5½% Interest Return
INVEST YOUR SAVINGS
in a 5½ DEBENTURE of
The Great West Permanent
Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton
Vancouver Victoria Edinburgh, Scotland

Public Confidence
in this institution has been a large factor in enabling it to attain to the position of Canada's premier Mortgage Corporation.
It offers to depositors every phase of Savings Account Service, based on the experience of nearly seventy years, combined with absolute security.
An account may be opened with One Dollar or more and full chequing privileges are allowed.
CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street, Toronto. *Established 1855*
Paid-up Capital and Reserve Fund, $14,000,000.
Investments exceed $42,000,000.

LLOYDS BANK LIMITED.
HEAD OFFICE: 71, LOMBARD ST., LONDON, E.C. 3.
($5=£1)
Capital Subscribed $359,323,900 | Reserve Fund - $50,000,000
Capital Paid up - $71,864,780 | Deposits, &c. $1,677,972,070
EASTERN DEPARTMENT:
77, LOMBARD STREET, LONDON, E.C. 3.
In consequence of the acquisition of the businesses of Messrs. COX & Co. and Messrs. HENRY S. KING & Co. (including Messrs. KING, KING & Co. and Messrs. KING, HAMILTON & Co.), LLOYDS BANK now has the following Offices in India, Burmah and Egypt:—
INDIA & BURMAH.—BOMBAY, CALCUTTA (2 Offices), KARACHI, RANGOON, DELHI, SIMLA, RAWAL PINDI, MURREE, SRINAGAR (Kashmir), GULMARG.
EGYPT.—ALEXANDRIA, CAIRO (2 Offices), BENHA, BENI SUEF, FAYOUM, MEHALLA KEBIR, MINIEH, TANTA, WASTA.
General Banking, Exchange and Agency Business of every description. Special facilities with the British Isles, Australia, Canada, New Zealand, the Continent, and North and South America.

Gordon, Ironside & Fares Company, Limited

NOTICE IS HEREBY GIVEN THAT a meeting of the holders of the Six per cent. First Mortgage Fifteen Year Sinking Fund Gold Bonds of Gordon, Ironside & Fares Company, Limited (hereinafter called the Company) secured by a Trust Deed dated the 12th of September, 1912, made between the Company and The Standard Trusts Company of Winnipeg, as Trustee, will be held in the Board Room of the Canada Life Assurance Company, 46 King Street West, Toronto, Ontario, on Friday the Seventh day of March, 1924, at three o'clock in the afternoon to enable the Trustee to consult with the bondholders, and for the purpose of considering and dealing with the following matters and exercising the powers with respect thereto conferred upon the bondholders by the said Trust Deed and passing such resolutions, extraordinary and/or otherwise with respect thereto as may be considered advisable:—

1. The report of the Trustees showing the action taken by it since the last meeting of bondholders held on the 28th day of February, 1922, and statement showing the actual receipts of and disbursements made by the Trustee.

2. The report of the Committee of the bondholders appointed by resolution passed at the meeting of bondholders held on the 28th of February, 1922, and the policy heretofore adopted by and that may be recommended for the future by such Committee.

3. The resolutions passed at a special meeting of bondholders held on the 28th of February, 1922, and in particular but without limiting the generality of the foregoing the powers, authorities and instructions thereby conferred upon and given to the Committee and/or the Trustee and the extension or restriction of the same.

4. Authorizing the Committee to agree with the Company and the Trustee as to the amount of the compensation to be paid to the Trustee under the terms of the said Trust Deed, and as to the funds or assets out of which the same is to be paid.

5. Authorizing, agreeing and consenting to an issue of securities of the Company constituting a prior charge to the Trust Deed and to the bonds thereby secured on such terms as may be authorized and approved by the Committee, subject to the following limitations and restrictions:—Such prior issue of securities shall consist of bonds, debentures or debenture stock; shall be for a total principal amount not exceeding $100,000, shall bear interest at a rate not exceeding seven per cent. per annum; shall mature not later than five years from the date thereof; shall be secured by a Trust Deed or Deed of Trust and Mortgage in favour of The Standard Trusts Company, constituting a prior charge to the amount of the charge created by the said Deed of Trust of the 12th of September, 1912, and to the said Six per cent. First Mortgage Fifteen Year Gold Bonds secured thereby; provided that subject to such restrictions and limitations, the terms of any such Trust Deed or Deed of Trust and Mortgage and all the covenants, conditions and provisoes therein contained and the form of the bonds, debentures or certificates for debenture stock and all other matters relating to or in any way connected with the issue of such securities shall be such as may be approved by the Committee, and that such securities when created and from time to time issued shall only be sold for such price and on such terms as may be approved by the Committee and that the proceeds arising from the sale thereof shall be paid to the Trustee and disbursed by the Trustee for such purposes and at such times as may be directed by the Committee.

6. Sanctioning such modifications of the rights of the bondholders against the Company or against its properties whether such rights shall arise under the said Trust Deed dated the 12th of September, 1912, or otherwise, and assenting to such changes in, additions to or omissions from the provisions contained in the said Trust Deed, dated the 12th day of September, 1912, as the Committee may consider necessary in order to give effect to the foregoing consent to the issue of securities of the Company constituting a prior charge to the Trust Deed of the 12th day of September, 1912, and the bonds thereby secured.

7. Instructing and authorizing The Standard Trusts Company to consent to such issue of securities of the Company constituting a prior charge to the Trust Deed of the 12th day of September, 1912, and the bonds thereby secured and to concur in and execute any deed or deeds supplemental to the said Trust Deed of the 12th day of September, 1912, and for postponing the same to such securities and to the Trust Deed or Deed of Trust and Mortgage securing the same for the purpose of giving effect to the resolutions of the bondholders that may be passed at such meeting or at any adjournment or adjournments thereof, in such form and containing such provisions and agreements as the Committee may approve.

DATED at Winnipeg this Fourteenth day of January, 1924.

THE STANDARD TRUSTS COMPANY,
Trustee.

WM. HARVEY,
Managing Director.

This notice is given pursuant to the provisions of the said Deed of Trust of the 12th day of September, 1912, to the intent that any resolution passed at the said meeting shall, if passed by the requisite majority be binding upon all the bondholders to the same extent as if all the bondholders had concurred therein, whether present or not at the said meeting.

The said Trust Deed of the 12th day of September, 1912, amongst other things provides that: The holders of bearer bonds must produce at the meeting either their bonds or evidence of their ownership of such bonds by a certificate issued by a Trust Company or Bank or other depository, whose certificate the Trustee may think to be satisfactory, showing that the said bondholder had at the date therein mentioned (being a date not more than two calendar months prior to the date fixed for the meeting) on deposit with or exhibited to such depository the bonds numbered and described in such certificate; bondholders may act either in person or by proxy or attorney duly constituted. A form of proxy which will be accepted by the Trustee as satisfactory may be obtained from the Trustee, the Secretary of the Bondholders' Committee at 46 King St. W., Toronto, or from D. A. Allen, Austin Friars House, 6 Austin Friars, London, E.C.2, England.

DRIVE FOR SAMPLE MARKETS AT HEAD OF LAKES REVIVED

Say it Would Result in the Farmers Getting Better Price for Crops

SEE ELEVATOR PROFITS

Some of These Are Said to Pay For Selves in Year and Half —Grain Men Are Skeptical

The head of the lakes is preparing for another propaganda drive in favor of sample markets. They figure that the head of the lakes is the logical place for the establishment of a sample market, hence the agitation. All marketing to-day is by grade. The inspectors are at Winnipeg. The trade centres there. The main argument to be used in favor of the movement is that it will result in the farmer getting nearer the true value of his crop than at present. They say a conservative increase to the farm from such a market over the present grade market would be five cents. They add to this another possible seven cents from a great lakes deep waterways and are setting out to achieve these two objects.

The elevator capacity of Twin Cities to-day is 65,900,000 when the Smith and Murphy elevator is completed. From this should be subtracted 2,250,000, the capacity of two obsolete elevators in Fort William, the second and third elevators to be erected at the head of the lakes. Of the total capacity, only about 4,500,000 bushel space remains to be filled and it is being taken up rapidly. Those who are out to fight for the sample market or market by analysis, the latter involving the testing of the protein value, declare that the growth in the number of elevators is an evidence of the fact that the profits of the middlemen are much greater than that of the farmer. It is stated that usually a year and a half of business pays for one of the elevators. They point to the fact that the government elevator, erected at the head of the lakes as a model to the others, paid for itself and showed a handsome surplus in five years.

Grain men declare the sample market movement to be nothing but a waste of good time, for the present, at least.

BELDING-CORTICELLI EARNINGS 10.5%

Company Has Good Year Despite Disturbed Conditions That Prevailed

From Our Own Correspondent.

MONTREAL.—As was expected from the declaration of the first common stock divided a few years ago, Belding-Corticelli produced an excellent annual report. Net earnings on the common stock amounted to 10.5 per cent., as compared with 8.7 per cent. for the year to November 30, 1922. The showing was particularly gratifying in view of the violent conditions in the silk markets of the world that were precipitated by the Japanese 'quake.

Concerning the prospects for the current year, the president, A. O. Dawson, has this to say:

"It is difficult to make a forecast of business conditions for the coming year. The recent ratification of the French Treaty, which includes a preference to Switzerland and Japan, will militate against your company without any appreciable benefit to any other industry. Also the increase in the British preference as enacted at the last two sessions of parliament, coupled with the depreciated value of sterling, makes it difficult to compete with English goods manufactured under a wage scale much lower than that prevailing in Canada.

"It is also feared that the working out of the new sales tax, which came into force on January 1st, 1924, will tend to retard business, and will further defer a restoration to normal conditions. We thus look forward to a time of considerable hesitancy, but with the hope that as the months pass a better condition of things will prevail in this as in all other industries."

Profits for the past three years compared as follows:

	1923	1922	1921
Profits . . .	$279,801	$250,478	$212,943
Depreciation	62,837	61,509	58,506
Balance . .	$216,964	$188,969	$154,437
Sinking fund	14,790	14,791	14,791
Balance . .	$202,174	$174,179	$139,646
Bond interest	36,980	36,980	36,980
Balance . .	$202,174	$174,178	$139,646
Bond disc. .	25,341	26,250	6,250
Balance . .	$189,853	$110,948	$ 96,416
Pfd. div. . .	60,571	60,571	60,571
Balance . .	$ 79,282	$ 50,377	$ 35,845
Com. div. . .	14,990	....	......
Surplus . .	$ 64,292	$ 50,377	$ 35,845
Prev. surp. .	449,787	399,401	363,565
	$514,079	$449,787	$399,410

Big Winter Building Campaign in States

CHICAGO.—A winter building campaign such as this country has never seen before is now in progress. A vast multitude of building mechanics, who ordinarily are partially idle at this time, are engaged in lucrative employment of a highly constructive type. The demand for iron and steel has been increased by fears of a soft coal strike and the probability is that reserve supplies of bituminous coal two months hence, when the present wage agrement expires, will be of record proportions. There has been immense buying of fabricated steel, despite the fact that total purchases in 1923 reached the new high record of 1,940,000 tons. Some large structural contracts will be considered in the near future, as there are important building operations in contemplation at the prominent centres of industrial and business activity.

C.P.R. 7% TRAFFIC DIVIDEND EARNED

Comfortable Margin Above Amount Required for Disbursement

From Our Own Correspondent.

MONTREAL. — Canadian Pacific came through with such excellent earnings in December that the total of the gross and net earnings exceeded the 1922 figures although through the early months of the year earnings seemed to be dragging behind. The gross earnings for 1923 amounted to $195,837,089, which has only been exceeded in one year, 1920, when the $216,000,000 figure was passed. Compared with 1922, there was an increase of $9,162,000, the 1922 gross earnings being $186,675,035.

After deducting the same fixed charges and preferred dividends as were shown to have been deducted in 1922, the 7 per cent. of C. P. R. dividends usually paid out of operating profits were earned with a small margin. About $20,400,000 will be available for distribution, or 7.8 per cent. on the stock outstanding.

Special income from hotels, steamship lines, land sales, etc., will not be reported upon for some weeks yet, but should cover the 3 per cent. dividends from that source by a good margin.

	DECEMBER	EARNINGS	
	Dec. 1923	Dec. 1922	Increase
Gross . .	$19,136,674	$17,365,639	$1,771,035
Expenses	15,180,546	13,900,834	1,279,712
Net	3,956,127	3,464,804	491,322
	TWELVE	MONTHS	
	1923	1922	Increase
Gross	195,837,089	$186,675,035	$9,162,068
Expenses	158,358,079	150,373,344	7,984,734
Net	37,479,010	36,301,691	1,177,319

CANADA TAKING DOMINANT PLACE AS WHEAT GROWER

(Continued from page 1)

would be much better off if it has fewer banks. There are apparently dozens of small, more or less insecure, banks which sprang up during the post-war period that have for a number of years managed to scrape a hard living from a rather unpromising field. Many of them have only managed to exist by dabbling in the insurance and real estate businesses. Merely as banks they would have ceased to exist months ago. If matters are allowed to take their course most of the banking institutions of this type will probably be wiped out within the next year or so, and the Northwest will be the better for their going.

Canadian Banks Better

Local Canadians, financial men especially, have been following the development of the situation in the Northwest rather closely, mainly because they apparently believe that fundamentaly the situation is in some respects much like the situation Canada faces in its own Northwest. That, in its surface aspects, the Canadian situation has developed somewhat differently from that in the American Northwest, most of the Canadian bankers are convinced was due to the fact that Canada has a branch banking situation, while the United States favors the unit system.

As local Canadians see the situation in the American Northwest, it has two points of interest for Canadians. The first is the effect that the Northwestern situation will eventually have on the fortunes of the Canadian grain growers. The second is the fact that the sharp drop in grain prices in recent years has apparently affected Western Canada and the American Northwest in different ways. The American West, despite a flood of credit created by various government agencies and a high tariff on agricultural products, has, apparently, reached the year 1924 in decidedly worse shape than the Canadian West where neither form of interference with the course of economic law has been indulged in. Local Canadian bankers are pointing out that the situation in the international grain markets has brought about the failure of no Canadian bank, while in the American Northwest at least five hundred have gone under. This, they claim, is a complete vindication of the branch banking system as opposed to the unit system in vogue in the Western States.

Advantages With Canada

So far as the eventual effect of the situation in the Northwest on the position of Canada as a grain exporting country is concerned, informed opinion on this side of the line is firmly convinced that the grain growers of the American Northwest cannot hope to compete any longer with the Canadian grain growers in the export market. Eventually the United States will be compelled to discontinue the export of grain in any large quantities, and the grain growers will be compelled to sell only in their own markets. All the co-operative marketing schemes in the world and the extension of government credit galore cannot prevent this outcome of the present situation in the grain-growing districts of the Northwest. Land values are too high and yields are too low per acre to permit the American in many sections of the Northwest to continue to sell grain in competition with Canada.

The situation is succintly described by Secretary of Agriculture Wallace in a report which he has presented to President Coolidge. In part the secretary says:

"The Canadian wheat farmer enjoys substantial advantages over the American producer in the matter of yields, land values, the quality of wheat he produces and lower freight rates from points equally distant from markets. The yield of wheat, which is a very important factor in the cost of production, is materially higher in Western Canada than in many of our wheat-producing States. The average yields of spring wheat in the Prairie Provinces in the ten-year period of 1913-1922 varied from 15 to 16 bushels per acre. In Minnesota, North Dakota, South Dakota and Montana for the corresponding period, they ranged from 10.6 to 14.3 bushels.

"Winter wheat yields on harvested acreage in Nebraska, Kansas, Colorado, Oklahoma and Texas averaged, for the same period, 12.2 to 16.2 bushels. In the Pacific Northwest, yields have been somewhat higher than in Canada but this advantage has been offset to a considerable extent by higher land values. The significance of Canada's yields is apparent. A recent study of wheat costs in the United States brings out the fact that the cost per bushel for farmers who had yields ranging from 19 to 25 bushels per acre was 31 per cent. less than for those who had yields varying from 7 to 13 bushels.

"The capital invested in land is also materially lower in Canada than in the United States. The average value of farm lands in 1922 for Canada as a whole was $40 per acre as compared to $79 for the United States. In the Prairie Provinces, average land values ranged from $24 to $32; in eleven of the Western wheat States the range was from $46 to $110.

"It is significant also that land values in Canada during the war were marked up to a relatively slight degree. Between 1914 and 1920 the average value of land in the United States increased $35 per acre; in Canada the average was only $11. In the same period lands in the Prairie Provinces advanced on the average from $7 to $11 per acre; in eleven Western wheat States, the increase ranged from $10 per acre in Colorado to $61 in Nebraska. It is evident, therefore, that the American wheat farmer has a much heavier per acre investment in land than his Canadian competitor and a correspondingly larger interest burden."

As another evidence of the Canadian factor in the competition for the world markets, Mr. Wallace points out that the production of wheat in Canada increased from 197,000,000 to 470,000,000 bushels, the former figure being the average production for the years 1909-1913.

DOMINION STORES HAD A GOOD YEAR

Marked Increase in Gross Sales and Net Earnings Reported in 1923

An increase of $2,800,000 in gross sales and $31,000 in net earnings marked the 1923 operations of Dominion Stores, Limited, according to the annual statement. Following is a summary of the operating account for the past four years:

	Gross Sales	Net Earnings
1923	$7,800,000	$131,000
1922	5,059,508	100,092
1921	3,461,153	58,245
1920	2,401,631	34,679

The balance sheet indicates a strong liquid position. Current assets stand at $1,141,690, and current liabilities $487,716, leaving net working capital of $653,974. Total assets are given as $1,699,047, and fixed assets of $246,710 after depreciation are shown. Cash on hand amounted to $100,694; accounts receivable $9,157, and inventories $883,272. Current liabilities are made up of: Trade bills and acceptances, $444,968; sundry creditors, $8,719; accrued expenses, $2,110, and dividends payable, $31,918.

At a meeting of the directors the regular dividends on the class A preference of 8 per cent., and $1 on the common shares were declared for the present year.

COTEAU'S TELEGRAPH OPERATOR IS NOW A GIANT OF BUSINESS

(Continued from page 10)

into being. He helped to unite a number of the mines and one of the smelters in Consolidated Mining and Smelting, and, later, one of his own projects, the West Kootenay Power and Light Company, was taken into the Consolidated Mining and Smelting Corporation. This enterprise also, after going through long periods of difficulty, is rapidly shaping up for future financial prosperity.

Hosmer has always been an active C. P. R. director. He became director of the C. P. R. when he gave up the position of head of the telegraph services. Another of his closest interests has been Canadian Cottons and he has large interests in other textile companies. He is one of the ten or twelve men who own the town of Hampstead, outside of Montreal. He is a large shareholder in that very successful public utility corporation, the Montreal Light, Heat and Power Consolidated.

When one begins to analyze the reasons for the success of a man who has achieved as much as has Charles R. Hosmer, one gets on dangerous ground. It is so easy to say: "He was a hard worker; he had vision; he was honest," and to add to these bromidic compliments. Many men who have attained to only moderate degrees of success have had all of these qualities. One great quality of Hosmer seems to be his steadfast loyalty to his friends. Any man who ever helped Hosmer across a rocky step in life's pathway has an indelible place in Hosmer's heart. He has always had the faculty, given to few, of being able to make good friends and keep them. He has always been true to his friends. Many men and women living to-day are being given some tangible help in life by Hosmer, because Hosmer once got some little assistance from them.

Hosmer has always been an optimist; he never sold short on Canada. In his early days he was an optimist to the extent of being a speculator. At least he had that reputation; probably he just saw a little further than the men about him, and was a little more willing than they to back his faith and judgment in the coming Canada. He has always had strong business imagination. Probably he inherited it from his father, Hiram Hosmer, a sturdy New England pioneer, who moved to Canada to make his future.

Mr. Hosmer is a man of radiant personality; this laregly accounts for his ability to make friends. And yet no man is less imposed upon. Hosmer has an effective way of dealing with those who might feel inclined to impose upon him. His ability to terminate an interview is masterly. The visitor is welcomed. No red tape getting in to see Mr. Hosmer. You state your proposition. Mr. Hosmer listens. He makes his decision. Then—

"Well, I am glad you came in," says Mr. Hosmer. His hand comes down on his desk with a decisive slap. Then he put his hand out to you. "Good morning, sir," he says. You are gone. It is all over in a minute or two. You are out of his office, and he is back at his work again. But, somehow, you do not realize that you have been dismissed. It has all been done so gracefully and tactfully. And you need not worry about your proposition. If it is sound, and fair, Mr. Hosmer will not foret it.

Not Wealthy for Wealth's Sake

You could rank Charles R. Hosmer among the first six wealthiest men of Canada; put him among the first two or three and you would probably be right. Yet wealth for wealth's sake has never appealed to him. For that matter few men get wealthy seeking riches. The riches come naturally in the course of doing things. Mr. Hosmer feels that the most satisfactory accomplishment in the experience of life is to be able to enjoy life and help others enjoy it. He says: "The mere accumulation of wealth cannot bring enjoyment to the properly constituted mind; but there is an intense satisfaction in using wealth for the promotion of things that add permanently to the world's progress, and help lighten the everyday problems and burdens of humanity."

There is in the career of Mr. Hosmer much for the young business man to study. Mr. Hosmer believes that there is always room at the top, but he puts that fact another way. He refers to the gradual process of elimination that is continually proceeding.

"Men at the top die; they get too old for their jobs and resign, and in this and other ways they leave vacancies for the members of the next generation who have made themselves capable of filling their shoes," he states. "The process of elimination is constantly creating positions for men who have by dint of application and study fitted themselves to fill them."

Mr Hosmer went ahead because he was so steadily broadening his sphere of knowledge that he was able to fill vacancies that needed to be filled and that beckoned to him.

THE

Toronto General Trusts Corporation

FORTY-SECOND ANNUAL REPORT

Total Assets Under Administration Exceed $137,000,000.

The Forty-Second Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation was held at the Corporation's Head Office, Toronto, on Wednesday, February 6th, 1924, when Mr. A. D. Langmuir, the General Manager, read and submitted the following Reports for the year ended December 31st, 1923:—

TO THE SHAREHOLDERS:—

Your Directors have pleasure in submitting the Forty-Second Annual Report of the Corporation, together with the Statements of Assets and Liabilities and Profit and Loss, for the year ended the 31st of December, 1923.

The gross profits for the year, after providing for all ascertained or anticipated losses in respect of our investments, amount to $872,336.62. The Administration expenses, including salaries, Directors' and Auditors' fees, rent, advertising, etc., amount to $547,010.13, making the net profits for the year $325,326.49. To this amount must be added $119,347.57 brought forward on the 1st of January, 1923, making a total of $444,674.06, which has been dealt with by your Directors as follows:—

To payment of quarterly dividends Nos. 107, 108, 109 and 110, at the rate of 12% per annum	$240,000.00
To amount provided for the Federal Income Tax payable in 1924	26,000.00
To amount transferred to Contingent Reserve Fund	105,000.00
To Balance carried forward to credit of Profit and Loss	73,674.06
	$444,674.06

The total volume of assets under administration by the Corporation as shown by the Assets and Liabilities statement, is $137,930,038.98, an increase of $8,832,997.56 over the preceding year.

Your Directors exceedingly regret to report the death, which occurred on Wednesday, the 16th of January, 1924, of the Honourable Featherston Osler, K.C., D.C.L., who joined the Board of the Corporation in 1910, and was immediately elected to the position of President, which office he continued to occupy with great distinction until his death, being peculiarly well qualified for the position by reason of his great experience and attainments in matters of law, justice and equity, together with his never-failing courtesy.

All which is respectfully submitted.

A. D. LANGMUIR, General Manager.
HAMILTON CASSELS, Vice-President.
Toronto, January 22nd, 1924.

ASSETS.

CAPITAL ACCOUNT—			
Office Premises and Safe Deposit Vaults at Toronto, Ottawa, Winnipeg and Vancouver		$1,000,000.00	
Rents Due and Accrued		7,734.13	
Real Estate held for Sale		322,731.14	
Mortgages:			
Principal	$2,303,307.91		
Interest Due and Accrued	102,056.33		
		2,405,364.24	
Agreements for Sale:			
Principal	$ 209,871.89		
Interest Due and Accrued	9,431.60		
		219,303.49	
Loans on Dominion of Canada and Provinces of Canada Securities		54,312.56	
Loans on Stocks and Bonds		250,720.35	
Canadian Municipalities' Debentures		2,932.00	
Other Securities		43,730.49	
Loans or Advances to Trust Estates under Administration by the Corporation		388,285.67	
Other Assets		1,596.01	
Cash in Chartered Banks	$ 122,583.21		
Cash on Hand	275.00		
		122,858.21	
			$ 4,819,568.29
GUARANTEED TRUSTS ACCOUNT—			
Mortgages:			
Principal	$6,623,666.52		
Interest Due and Accrued	439,991.59		
		7,063,658.11	
Dominion of Canada and Provinces of Canada Securities		806,067.15	
Canadian Municipalities' Debentures		2,115,456.17	
Loans on Dominion of Canada, Provinces of Canada and Canadian Municipalities' Securities		227,668.15	
Cash in Chartered Banks		112,267.53	
			10,325,117.11
ESTATES, TRUSTS AND AGENCIES ACCOUNT—			
Estates, Trusts and Agencies under administration by the Corporation			122,785,353.58
			$137,930,038.98

LIABILITIES.

CAPITAL ACCOUNT—			
Capital Stock Subscribed and fully paid	$2,000,000.00		
Reserve Fund	2,500,000.00		
		$4,500,000.00	
Contingent Reserve Fund		150,000.00	
Dividend No. 110, due January 2, 1924		60,000.00	
Appropriation for Federal Income Tax		22,484.42	
Unearned Rents, re Office Buildings and Safe Deposit Vaults		13,409.81	
Profit and Loss		73,674.06	
			$ 4,819,568.29
GUARANTEED TRUSTS ACCOUNT—			
Guaranteed Trust Funds for Investment			10,325,117.11
ESTATES, TRUSTS AND AGENCIES ACCOUNT—			
Agencies and Trust Funds for Investment or Distribution			122,785,353.58
			$137,930,038.98

On motion the following Shareholders were appointed Directors for the ensuing year:—Sir Edmund Walker, C.V.O., LL.D., D.C.L., President; Major-General Sir John M. Gibson, K.C.M.G., K.C., LL.D., and Hamilton Cassels, K.C., LL.D., Vice-Presidents; Hon. A. C. Hardy, Lieut.-Col. R. W. Leonard, J. Bruce Macdonald, Hon. Sir Daniel H. McMillan, K.C.M.G.; Sir Edmund B. Osler, J. G. Scott, K.C.; Lieut.-Col. John F. Michie, E. C. Whitney, Wellington Francis, K.C.; E. T. Malone, K.C.; H. H. Williams, Robert Hobson, Thomas Bradshaw, F.I.A.; Wilmot L. Matthews, C. S. Blackwell, and A. D. Langmuir.

HEAD OFFICE, Cor. Bay and Melinda Streets, TORONTO

W. G. WATSON, Assistant General Manager.
A. D. LANGMUIR, General Manager.

BRANCHES:

OTTAWA:	WINNIPEG:	SASKATOON:	VANCOUVER:
James Davey, Manager.	John Paton, Manager.	F. G. Lewin, Manager.	H. C. Hewetson, Manager.

Copies of the Annual Report containing a full account of the proceedings, with the addresses of the President and General Manager, mailed on request.

HURON AND ERIE COMPLETED YEAR STRONG POSITION

Canada Trust Company Also Had a Good Year

INCREASED EARNINGS

Marked Success Attended Sale of Debentures and Trust Certificates—Has No Real Estate

Throughout a year of financial uncertainty the Huron and Erie Mortgage Corporation and the Canada Trust Company firmly maintained their position and, with increases in profits, which must be regarded as highly satisfactory under the circumstances. established new high records. With net earnings of $570,036, compared with $565,548 in the previous year, and $561,123 in 1921, the Huron and Erie paid its increasing taxes, its 7 per cent. dividend, wrote over $20,000 off premises, added $150,000 to the reserve. and still increased the balance carried forward. Following are comparative figures:

	1923	1922	1921
Profits	$570,036	$565,548	$561,125
Taxes	49,474	44,066	29,679
	$520,562	$521,482	$531,444
Bal. fwd.	25,243	53,761	22,317
	$545,805	$575,243	$553,761
Dividends	350,000	350,000	350,000
Reserve	150,000	200,000	150,000
Premises	20,104	......	......
Balance	25,701	25,243	53,761
	$545,805	$575,243	$553,761

Nine Years' Record

	Paid-up Capital	xNet Profits	Div.	% on avr. Cap.	Earn. Rate
1923	$5,000,000	$520,562	7	10.4	8.0
1922	5,000,000	521,482	7	10.5	8.0
1921	5,000,000	531,444	6+1	10.6	8.4
1920	5,000,000	505,943	6+1	10.1	8.2
1919	5,000,000	496,737	6	9.9	8.2
1918	2,500,000	452,493	12	18.0	8.0
1917	2,500,000	430,577	12	17.2	7.8
1916	2,500,000	422,012	12	16.9	7.8
1915	2,458,415	411,493	12	16.9	7.9

x Taxes deducted.

Debentures issued to Canadians by the Huron and Erie increased $860,459, while Sterling debentures show a gain of $562,850. At the close of 1923 debenture investments totaled $13,730,000. Savings deposits stood at $6,116,000—being an increase of $54,800. The net profits for the year were $570,036—an increase of $4,488 over the preceding year. Assets are up $1,655,000 and now total $26,822,000. To the reserve fund there has been added $150,000, bringing the total of that fund and the paid-up capital to $6,650,000.

There is a noticeable increase of $1,536,000 in first mortgage investments, which reach a total of $18,283,161. In this connection, the directors are able to announce for the sixteenth consecutive year that they hold no real estate, either directly or indirectly, other than office premises. That announcement is to be further emphasized in the corporation's published financial report by the very definite statement that, as in other years, the few properties which came into its possession during 1923 were sold outright to individuals who had no connection of any nature with the institution. In addition to making full allowance for actual losses, the corporation has, as in the past, made ample provision for possible losses.

Following an established practice, the liquid position of the corporation has been maintained at a high point. Liquid assets, such as readily negotiable government and municipal bonds and debentures and cash on hand and in banks, were equal to 89 per cent. of savings deposits.

The Canada Trust Company

The Canada Trust Company also showed increased profits, and this showing was further improved by a material reduction in taxes. In addition to paying dividends, $25,000 was added to reserve. Following are comparative figures:

	1923	1922	1921
Profits	$103,278	$101,984	$169,544
Taxes	9,260	18,355	11,820
	$ 94,018	$ 83,629	$157,724
Bal. fwd.	12,015	8,378	20,642
	$106,033	$ 92,007	$178,366
Dividends	79,992	79,992	119,988
Reserve	25,000	......	50,000
Balance	1,041	12,015	8,378
	$106,033	$ 92,007	$178,366

Nine Years' Record

	Capital Accounts	Guar. Trust Accounts	Estates, Trusts et.
1923	$1,766,036	$4,416,355	$9,070,792
1922	1,752,011	2,983,732	8,532,003
1921	1,788,370	3,478,554	6,613,613
1920	1,750,633	4,223,152	5,064,237
1919	1,685,752	4,860,636	4,234,387
1918	1,645,597	4,719,765	3,544,906
1917	1,595,271	4,528,581	2,790,190
1916	1,534,090	3,318,224	2,659,503
1915	1,472,392	3,045,144	1,754,332

The Canada Trust Company experienced outstanding success in marketing its guaranteed mortgage and trust certificates. At the close of 1923, funds invested by the public totaled $4,347,231—an increase of $1,464,587 in twelve months. The assets of estates under administration show a gain of over half a million dollars. $25.000 was transferred from profits to the reserve fund, which now totals $725,000—being equivalent to 72½ per cent. of the paid-up capital. Total assets have advanced from $13,218,000 to $15,253,000—a gain of $2,035,000.

SUN LIFE CHANGES IN N.B.

ST. JOHN.—Frank J. Hodgson, formerley attached to the Montreal branch of the Sun Life Assurance Company, has taken over the management for New Brunswick, of that company. He succeeds C. C. Jordan who has been connected with the Sun Life for nearly thirty years, and who has been provincial manager for New Brunswick for the past twenty years.

Consolidated Trusts Maintained Earnings

Earnings of the Consolidated Trusts Corporation of London were $14,975 for 1923, being practically unchanged as compared with the previous year. $10,000 was added to the reserve and $3,367 provided for contingencies. Following are comparative figures from the profit and loss account:

	1923	1922	1921
Earnings	$14,075	$14,157	$14,859
Taxes	2,048	1,791	3,099
	$12,027	$12,366	$11,760
Bal. forward	4,774	2,408	648
	$16,801	$14,774	$12,408
Reserve	10,000	10,000	10,000
Contingent	3,367	......	......
Balance	3,434	4,774	2,408
	$16,801	$14,774	$12,408

B.C. PERMANENT PAID 2% BONUS

Company Conducted Affairs Satisfactorily in Face of Unsettled Conditions

The sound position of the affairs of the British Columbia Permanent Loan Company of Vancouver is again shown in the annual report for 1923. With earnings of $197,949 and net profits of $74,505 the company paid dividends of 6 per cent. with a bonus of 2 per cent., making a total of $75,386. Thus there was a slight reduction in the balance, which now stands at $9,285. Following are comparative figures from the balance sheet:

	1923	1922	1921
Earnings	$197,949	$211,647	$226,595
Expenses	45,465	46,328	50,703
Interest	58,534	57,237	57,025
Taxes	19,445	22,070	17,432
	$123,444	$125,635	$125,160
Net profits	$ 74,505	$ 86,012	$101,435
Bal. forward	10,166	23,989	41,326
	$ 84,671	$110,001	$142,761
Dividends	75,386	75,330	74,844
Int. on stck.	......	......	183
Reserve	......	24,505	43,744
Balance	9,285	10,166	23,989
	$ 84,671	$110,001	$142,761

Nine Year's Record

Year	Paid-up Capital	Profits	Div.	% prof cap.	Earn rate
1923	$942,424	$ 74,505	6+2	7.9	4.2
1922	941,829	86,012	6+2	9.1	4.9
1921	940,763	101,435	6+2	10.9	5.9
1920	926,721	126,468	6+2	13.6	7.5
1919	923,721	91,789	6	9.9	6.5
1918	923,290	76,289	.	8.3	4.3
1917	923,290	45,729	.	5.0	2.8
1916	923,290	57,536	.	6.2	3.3
1915	923,290	52,200	5	9.2	3.3

Although nothing was added to the reserve, it is pointed out that this fund totals $800,000, or 85% of the paid-up capital. Mortgage investments aggregating $363,000 were made during the year, and the amount of principal repaid by borrowers was $336,171. There was a substantial increase in sterling and currency debentures and deposits.

The president, T. H. Wilson, points out that no uncollected items of interest on mortgages and agreements have been taken into the profit and loss account. During the year general business conditions, he says, remained unsettled and the directors conducted the affairs of the company from the standpoint of absolute safety rather than profit, and are gratified to be able to make such a satisfactory report.

Mutual Finance Had Another Good Year

Mutual Finance Corp. of Windsor show gross earnings of $103,822 for 1923 as compared with $88,453 in 1922. The profit realized is given as $74,330 as compared with $60,894. About $12,000 was previously written off for taxes, additional dividends, equipment, depreciation, etc. Dividends paid totaled $62,163 as compared with $54,771 in 1922 while surplus and deferred profits stand at $186,904 as compared with $153,966. Assets rose $291,236 to $2,352,304.

President A. F. Healy, M.P., pointed out that Windsor in 1923 had 5,401 houses occupied by owners. The Mutual Finance Corporation holds a deed to 490 of these properties, or 9.08 per cent. The appraised values of the property held by the company for the year 1923 is $3,683,800, or 7.01 per cent. of the whole. Also the percentage of the population ot the City of Windsor occupying houses, for which the company holds a deed, amounts to 5.11 per cent. of the total.

No Sign That Motor Industry is at Limit

CHICAGO.—Advices from the automobile manufacturing centres indicate that the industry is probably employing more workers than ever before. Notwithstanding the production of some 4,000,000 pleasure cars and motor trucks last year, there are plans to increase the output and perhaps register a new high record in 1924. Although criticized in some quarters, the public buying of automobiles has been for the most part discriminating and not of the "luxury type," in the opinion of the National City Bank of Chicago. The more serviceable models have been in demand and the extraordinary interest shown at recent automobile shows in large cities emphasizes the wonderful hold that the pleasure car has upon the average citizen. It is evident that the fairly low-priced car will continue in chief demand, and it is probable that the competition between manufacturers will make for increased value in cars of this type. The outlook for the automotive industry is extraordinary. and it is evident that the record-breaking expansion has been possible only because the manufacturers months ago were wise enough to re-price their cars at virtually the pre-war basis.

ONTARIO LOAN IN STRONG POSITION

Earnings Would Justify Making Bonus Part of the Regular Dividend

With earnings of $297,075, compared with $294,683 in the previous year, the Ontario Loan & Debenture Company was able to take care of its dividend of 10 per cent. and distribute a bonus of 1 per cent., as well as transfer $75,000 to the reserve fund; but, owing to the fact that war taxes increased from $23,976 to $31,495, there was a small reduction in the amount carried forward. Following are comparative figures from the profit and loss account:

	1923	1922	1921
Earnings	$297,075	$294,683	$314,792
Bal. forward	49,451	46,244	31,653
	$346,526	$340,927	$346,445
Dividends	175,000	175,000	175,000
Bonus	17,500	17,500	......
Reserves	75,000	75.000	100,000
Balance	$ 79,026	$ 73,427	$ 71,445
War Tax	31,495	23,976	25,201
Bal. forward	$ 47,531	$ 49,451	$ 46,244

Seven Years' Record

Year	Paid-up Cap.	xProf.	Div.	% Profits Av. Cap.	Earn. Rt.
1923	$1,750,000	$265,580	10+1	15.6	6.2
1922	1,750,000	279,706	10+1	15.9	6.4
1921	1,750,000	289,591	10	16.5	7.0
1920	1,750,000	251,029	9+1	14.8	6.4
1919	1,750,000	246,182	9	14.4	6.3
1918	1,750,000	250,739	9	14.7	6.5
1917	1,750,000	254,610	9	15.0	7.0

x Less income war tax.

The company's reserve fund now totals $2,500,000, as compared with capital stock fully and partly paid of $1,750,000.

There was a marked increase during the year of funds available from currency debentures, the total outstanding being $2,007,639, compared with $1,595,062. There was also a small increase in sterling debentures. Deposits declined from $942,592 to $811,099. Thus, liabilities to the public showed a net increase from $3,718,221 to $4,045,572. Mortgage loans in Ontario were augmented by a somewhat like amount. The holdings of Dominion, provincial and municipal securities, remain about the same and are more than three times the total savings deposits. They, together with cash with the company's bankers, equal 73 per cent. of all liabilities to the public.

According to the president, A. M. Smart, payments on mortgages over urban property continue to be very well met. Farmers are still finding difficulty in working back to their old record of prompt payment of mortgage obligations. Crops were again good throughout the country. and the West had the largest wheat crop in its history; this will maintain Canada in a premier position among wheat exporting countries.

The position of the Ontario Loan and Debenture Company, as revealed above, does not fully show the soundness and strength of this company. Its assets are conservatively valued. The management is, and has been, exceedingly chary about taking any credit for interest earned but not yet paid. With the large reserve and good earnings, the company undoubtedly could make the bonus paid for the past two years a definite dividend policy. Such action seems certain to be taken before long.

FRUGAL ADMINISTRATION MIGHT GIVE LABOR LONG LEASE OF POWER

(Continued from page 17)

There is a danger in too much interference with the established mechanism of government and there is a danger in neglect. New administrators are apt to encounter both of these dangers.

Unfortunately the present Labor Government enters upon its duties with a somewhat exaggerated idea of the function of government and of the social advantages of governmental action. Many of them have for a long time been advocating nationalization of this, that or the other. Looking upon administration, for the most part at a distance, they have seen that governments apparently acquire increased power by means of increased functions. When they have a closer view they may find that this power may be snatched from them and that they may have nationalized the mines, let us say, with the consequence that the real power was transferred to the miners and that the nationalization was only a phrase. It is not difficult to expropriate or to confiscate property, to make a levy on capital and the like; the real difficulty is to retain the confiscated estates and the capital levied, as property. In the hands of the State, the annual revenue is rarely increased through expropriations because of ineconomical management. If the Labor Government will devote itself to frugal administration of the existing State economy instead of adding to State functions, the number of States functionaries and to State debt, they may have a long lease of power. If they embark in fantastic schemes involving increased expenditure and therefore increased demands upon the taxpayer, they will have short shrift.

In foreign policy it is not improbable that the Labor Government may have a wholesome influence. It will not be suspected of aggressive imperialist aims and it may probably be able to insist upon modification of the aggressive aims of some other countries. A little plain speaking at certain moments does no harm, provided the effect of it can be foreseen clearly and prepared for adequately.

The bearing of the Labor Government in Great Britain upon the relations of the Dominions to the Mother Country is difficult to state with confidence and candor at the present moment. There can be no doubt that the working people of Great Britain in general know little and care less about the Dominions beyond the seas. Their interests are confined to the British Islands and preferably to the locality in which they themselves live. They are by no means unique in this respect. Such views of external relations are held in general by the working people in all countries. So far, therefore, as the Labor Government may find its course determined by working class opinion, the Dominions may count upon simple neglect. So far as the Labor Government permits its policy to be determined by wider considerations, no serious consequences may be anticipated except that in general there would be little regard for Imperial interests as such. As for the possibility of imitation by Canada of the course which the people of Great Britain have chosen to adopt, there seems slender likelihood of that. Canada is predominantly an agricultural country; yet an "occupational" government of farmers did not succeed in the leading province of the Dominion. In spite of unusually favorable conditions, the Government was accused of extravagance and it was dismissed, with the result that the political organization of the farmers collapsed. There is no present sign of a Labor Government or even of a Labor party in this country in any serious sense, nor is there in the United States.

Canada Landed Paid Dividends And a Bonus

Following is a comparative summary of the profit and loss account of the Canada Landed and National Investment Company, covering the past three years:

	1923	1922	1921
Earnings	$425,776	$433,260	$481,364
Interest	202,747	194,301	191,871
Managmt.	57,949	56,851	57,010
Taxes	20,332	27,001	18,411
Commis.	12,293	17,893	11,649
	$293,321	$296,046	$278,941
Net prof.	$132,455	$137,214	$202,423
Bal. frwd.	42,182	37,519	50,596
	$174,637	$174,735	$253,019
Dividends	120,500	120,500	120,500
Bonus	12,050	12,050	......
Reserve	......	......	95,000
Balance	42,086	42,182	37,519
	$174,636	$174,732	$253,019

Nine Years' Record

Year	Gross Profits	Net Profits	Div.	% on Cap.
1923	$425,776	$132,455	10+1	11.0
1922	433,260	137,214	10+1	11.4
1921	481,364	202,423	10	16.7
1920	484,418	194,874	10	16.2
1919	445,053	151,684	9	12.6
1918	415,795	152,299	9	12.6
1917	417,267	158,209	9	13.1
1916	438,867	170,246	9	14.2
1915	454,574	199,200	9	16.5

The company's reserve fund amounts to $1,450,000, compared with capital of $1,205,000. The dividends paid during the year were 10 per cent., with a bonus of 1 per cent.

STANDARD CO. GOES TO MUTUAL CONTROL

Marketing Concern is Taken Over—Sufficient Stock in Treasury for Deal

Mutual Oil has absorbed Continental Oils, a Standard oil marketing organization operation in Rocky Mt. section of the United States. Four shares of Mutual (par value $5) are given for one Continental (par $25). Mutual has $4,200,000 outstanding shares, with 6,000,000 authorized, Continental 400,000 issued, 480,000 authorized. It will require 1,600,000 shares of Mutual to complete the deal, leaving 200,000 in the treasury. Mutual's dividend, 5.50 cents yearly. Continental $2. The merger will not change the return of the latter shareholders.

In a letter from Mutual to Continental shareholders it is stated that the Mutual Co., in addition to its marketing properties, has a net production of more than 16,000 barrels of crude oil a day, with a large number of undrilled locations on proven acreage and an extensive area of undeveloped lease holdings. It also has a refining capacity, principally in Wyoming, in excess of 11,000 barrels a day.

Continental Oil Co. markets petroleum products, with service and bulk stations, in all the towns and cities of any importance in Colorado, New Mexico, Wyoming, Utah, Idaho and Montana. While it has a substantial production in the Salt Creek field of Wyoming and a refinery and some production at Florence, Col., its crude supply and refining facilities are insufficient for its marketing requirements. On the other hand, the production and refining capacity of Mutual Oil exceed its present marketing outlet.

Industry and Business Building to Improve

Building outlook for the year indicates a condition much the same as in 1923, except that there will likely be a further falling off in residential and possibly engineering and an improvement in business buildings and industrial work. More activity is expected in high-class residences designed by architects and in low-cost homes for workingmen. A falling off is looked for in the construction of homes costing from $5,000 to $7,000.

In presenting such a summary Maclean's Daily Reports say that a maintenance of 1923 volume is looked for in Ontario and Quebec and a slight falling off in the Maritime Provinces and British Columbia. Increased rural activity is expected in Alberta and Saskatchewan and a maintenance of volume in Manitoba.

Big Increase in Ottawa Assessment Since 1915

That Ottawa, with a population of 117,239, and a total taxable assessment of $140,152,378, has tax exempted property amounting to $57,059,253, is shown in the annual report of Assessment Commissioner P. H. Veale. The increase in the assessment since 1915 amounted to $29,123,622. This is the result of the city's growth.

Income assessment in 1915 was $3,585,691, as against $12,327,586 in 1923, an increase of $8,741,895. Business assessment in 1915 was $9,977,848, as against $12,009,077 in 1923, an increase of $2,031,229.

The North as Source of Provincial Revenue

New Liskeard Speaker.

Commenting on our article in reply to the criticisms of the Bracebridge Gazette, in which a brief resume of the revenue Old Ontario has drawn from Northern Ontario, THE FINANCIAL POST, in large headlines, asks, "Has North saved Old Ontario from Direct Taxation, etc.?" Following up the foregoing quotation as a heading, THE POST says:

"That income derived from timber sales and mineral taxes in Northern Ontario saved Old Ontario from direct taxation, is the contention set up by Editor Stephenson, of New Liskeard Speaker. He recalls that many years ago, when he was an Ontarioan he often heard platform orators tell how the government was guarding the people against having to pay a provincial tax. He adds they were but at the expense of the Northland. The cash received from the millionaire at the annual sales of pine timber provided the funds the province carried on with."

THE POST also reproduces a portion of our article. It might be of interest if we were to very concisely state why we made the statements we did: The Bracebridge editor came across a newspaper article published by us some 44 years ago, in which we expressed the belief that the Northland would be of great value to the Province. Instead of frankly admitting that our predictions have been verified, the Bracebridge paper, as the Porcupine Advance says, "made sarcastic references to it." We then wrote and published the article to which THE FINANCIAL POST makes reference, and which was reproduced in the Porcupine Advance.

Our statements were well within the mark. We might have added that, during the Oliver Mowat regime, money was coming into the Provincial Treasury at such a rate from timber sales, that the Government of the day handed to the various municipalities of the Province the sum of either five or six million dollars, to be spent on public works, such as roads, etc.

However, we also have this to say, that in time of need, the south has never failed to be generous in helping the people of the North.

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Flavelle on Conditions in England, Europe and Canada

(Continued from page 1)

iety as to his political judgment. Men holding this view indicated the dismay that came to the nation when having delivered what was equivalent to an ultimatum to France concerning the Ruhr in August, when France replied they would not change their course, the British Foreign Secretary stated in the House of Lords: The government does not know what action it will take. When some weeks later the Prime Minister sent a communication to London from Paris indicating he was glad to report to the British people that there was no essential difference between the viewpoint of France and the viewpoint of Great Britain, all sorts of men interested in public affairs threw up their hands in dismay.

Sitting around the fire in the common room of a very ancient college on the Saturday evening before the election, I said to a distinguished leader in journalism: "Is it not a matter of great concern that at a time when Europe is needing leadership and the world over people are looking to England for guidance, that you should be without leadership of a commanding character?" He reflected a while, and then said something like this: "Yes, it is a matter of concern. But have you thought that perhaps the situation is so big that there is no man equal to the task, and that we may do better by each of us doing as well as he can day by day, and by this means work out our problem?" Mark you, he had no misunderstanding of the situation, and there was not a man in the room so distressed at the absence of leadership, but it was characteristic of his British character in a first-class emergency to find little fault with the immediate condition, and turn his attention to "what I can do to improve the situation as I find it." It reminded me of circumstances in 1916 which left a deep impression on my mind. I was breakfasting in London with three gentlemen who played an important part in public affairs during the war. When the butler brought in the "Times" and handed it to the senior member of the three, he opened it, and after reading a time, put it down, and without saying anything, reached to his belt and pulled it up a hole. He then said: "We must pull our belt up another hole," all unconscious that he had already physically performed the service. "What is the matter?" asked one of the company. "Roumania has gone bad," was the reply. I had sat only the day before at breakfast in the same room with a larger group of men, one of whom was a Roumanian representative. They were considering what relief measures were possible to prevent the kind of thing which had now happened.

This is the breed. They will not be stampeded by unexpected difficulties. They will pull up another hole in their belt and carry on. They do not muddle through, as they are so pleased to say of themselves. They work their course through, with steadfast courage, and when in a straitened place, they hang on and ultimately win out.

Chaos in Europe

Are conditions in Great Britain as anxious as reports reaching Canada would lead you to expect?

How can they be other than serious? With Europe in a chaotic state, they lose the advantage of their nearest and best market, with consequent loss of orders by industrial corporations, and necessary unemployment. Yet I would rather stress the other view if I may, namely, that they are not as badly off as reports reaching Canada would lead us to suppose. Coal, which in normal times represents fifty per cent. of the entire export trade of Great Britain, and which at the present time represents more than fifty per cent., is in a highly prosperous state, with every miner at work. There is the greatest building programme of which there is record, and artisans of all types are employed at good wages. I read in a newspaper a day or two before I sailed that in Sheffield the cutlery firms were working night and day to fill extensive orders from abroad. The great banks—and I had the privilege of a most generous reception from the heads of the banks—have had an excellent year, and are in a very strong position. I have no doubt that they have had an anxious time, however, in the shrinkage in the value of securities during the month of December, which will be reflected in their annual statements. I called on my old friends of the multiple stores. These stores sell provisions, and their business reflects the ability of the working classes and small householders to spend money for necessary food products. Some whom I saw commenced business in my time in a small way, and have grown into men of business in a big way. I found them very prosperous, with a great volume of business. Some of them were without a penny of debt, and they held hundreds of store properties with no mortgage liability. They had, in addition, important holdings of cash securities. All by reason of business they had done, and are still doing with working people and small householders.

Cottons and woollens have had a hard road on which to travel, and the unemployment in the centres where these industries are located is a troublesome and distressing feature. Shipbuilding and shipping operations have been unsatisfactory and trying, yet speaking to the chairman of a large shipbuilding corporation, I said: "I suppose you have had a rotten time." He replied: "Well, Flavelle, it has been bad, but we will have a fair year, that is, we will have a fair year when you consider how bad shipbuilding has been." Two men, Lord Inverforth and Lord Weir, the one my last chief as minister of munitions, the other the minister for whom the Imperial Munitions Board secured spruce for aeroplanes during the war, were spoken to on the same subject. Lord Weir replied: "We are recovering from the bottom." Lord Inverforth said: "We have had a very bad time on the Clyde, but our company is laying down the keels of twenty ten-thousand-ton freighters, fitted with Diesel engines of an improved type. With ten tons of oil per day, we will secure the stipulated speed of eleven and a half knots, in contrast (for the same service) with forty tons of oil in the old type of engine with oil burners, or fifty tons of coal in the old type of engine with coal burners." This only confirmed what I learned from different sources, that the stress of things compelled improvements in industrial operations. Singularly enough, after leaving Lord Inverforth, I saw an item in the day's paper, that the savings bank deposits in the city of Glasgow, which had been so hard hit, showed a large increase for the current year.

Steel manufacturers have had a trying experience. Possibly among the things which influenced Mr. Baldwin, but not in a selfish sense, was that he knew too much about steel, knew the deep anxiety of the steel corporations who watched what was happening with the steel and steel plants taken by the French in the Ruhr. He knew of the negotiations of French and German steel makers, that they should come together and confront England and the rest of the world with the product of mills of the most modern construction operated by the cheapest labor, while France protected her own market with a high duty against steel coming into France.

It should be remembered, however, that the classes in the community which under normal circumstances represent the steadying influences of unselfish good sense, have been hit by the high cost of living on the one hand, and the greatly increased income tax on the other, with but little increase, or no increase in income. They embrace the teachers in schools and universities, preachers, unimportant professional men, artists, the large number of persons having modest fixed incomes from investments, literary folk, including journalists, and the gentleman class. Nothing has been finer than the restraint of these classes, and the patience with which they have borne their hard luck. At an Oxford college, I spoke with some of the tutors, who fill positions similar to professors with us, and learned that in that particular college—it is not true in them all—these tutors had not had an increase in salary since 1914. They were confronted with almost double the cost of living, with an income tax almost three times as heavy. It should not occasion surprise that the injustice which these classes have suffered has inclined some of them to support an almost demagogue point of view, in the hope of being relieved from an intolerable position.

The people who assert their complaints with great vigor, represented by labor and business, have played a less worthy part. These, with financial corporations, have on the whole, done well under war conditions. Industry has suffered sharp losses in recent years, but including the war years, the capital position has improved. Employed labor enjoys great benefits, and has probably at no time except during the war been paid so well, or has had so great a spending power.

Why, then, unemployment and the dole? No answer that is wholly satisfactory can be given to this question. Sir Edmund Walker referred to it the day before yesterday at the annual meeting of the Canadian Bank of Commerce. There is no just comparison between the old figures of unemployment and the new figures as compiled. When you pay people five shillings, ten shillings, fifteen shillings, twenty shillings, a week to register as unemployed, you learn of them. A million sterling a week, it is said, is being spent in this way, and no service of any kind is being rendered by the recipients. Permanent injury is being done to an important percentage of these people. Domestic help, curiously enough, is said to be exceedingly difficult to secure in Great Britain, and yet we are told that one hundred thousand women are receiving the weekly dole.

Why do the British people tolerate the dole, and having started it, why is it not modified or cancelled?

When the millions of men in the fighting force were at the front, they were at no charge for their clothes, for their food, had no anxiety concerning dear ones at home. The government looked after their personal requirements, and paid them a pittance of a shilling a day—I am speaking of privates—and various organizations looked after those they had left at home. When they returned to England and were demobilized, they had to take care of themselves, their wives, and their families. Their social condition at the front had been one of easy camaraderie. They came back to the class restrictions they had left behind when they went to the war. Those who were governing England, knowing that immediate work was difficult to secure, believed if something were not done to meet the emergency, revolutionary conditions might ensue, so the weekly payment was begun. Having commenced it, no one knows how to stop it. Mr. Baldwin went down to defeat misreading for the time at least, the application of what he considered a useful remedy. I remember many years ago in the old Rossin House, a down east Yankee met a group of gentlemen who were interested in a timber limit. I was present, not as having any direct interest, but in an indirect relationship. At one stage of the negotiations, the Yankee said: "Well, gentlemen, a timber limit is like a dog with a hot potato; you must drop it or swallow it." I remember this illustration in relation to the question of the dole. England does not know how to drop it, and does not want to swallow it, hence is uncomfortable while her mouth is burning.

Taxation which creates bitterness and restlessness over the world is acute in Great Britain. You will remember that there they collect taxes practically from two sources: (1) Inland revenue, and excises taxes, which include imports of wine, spirits, tobacco and tea; (2) the income tax. There is no sales tax, and no customs duties as we understand them. The result is that the working classes are affected only by the spirits, beer, and tea taxes; this because the annual aggregate of the individual wage falls below the tax exemption figure, or is so little in excess that the payment, if any, is inconsequential. Workmen pay, as they always have paid, if they drink beer or spirits, or smoke tobacco. Those who are abstainers pay practically no national tax. It is different with us. I am not placing one method against the other. I am endeavoring to state a case. Here, the working man pays national taxes, because we have customs tariff, sales tax, spirit, beer, and tobacco levies, as well as income tax. It is difficult for the visitor to Great Britain to believe that so great a super-structure in taxation can continue to rest upon so small a base. In the meantime, having regard to present political developments, it is worth while remembering that the desire of the Labor party for a capital levy is not primarily for the purpose of reducing taxation, for they are not directly suffering from it, but from a desire to rid existing national revenue of the claims for interest and sinking fund, so as to release moneys for a programme of social legislation which they desire to enact. Under existing conditions, with enormous annual payments in interest and sinking funds, there is little money left for expenditure upon social enterprises. We share with Great Britain and other parts of the world in a disturbed state of public mind through heavy tax levies. It does not relieve us from this unrest any more than it relieves the tax payer in Great Britain that over one-fourth of the national tax collected is paid in pensions and to the holders of federal government securities in Canada. One out of every eight persons of the population in the Dominion holds federal government bonds. In Great Britain, the interest, and sinking fund, and pensions, call for upwards of forty per cent. of the entire revenue. Seven-eighths of this goes directly back to the people who hold the national securities, while one-eighth is paid to liquidate the indebtedness to the United States.

Cut the Income Tax

I believe a reform in Canada of national importance lies in cutting the income tax in half at the earliest date possible. I do not say this from the standpoint of the rich man who has to pay a great deal. There is rough justice in reasoning that as the country passes through emergency conditions by reason of the war, the men who have, should pay. If a man is rich enough to pay a great deal, it only means he has a large income and should pay. I am considering the matter on national lines. If I am right in my judgment, we are to a remarkable degree dependent for increased industrial activity and consequent employment upon the courage, resource, capability, and spirit of a comparatively small number of men who have the gift and powers of initiative, and who set new enterprises in motion. When taxation creates a state of mind where such men say: "Why should I go into that enterprise? If it does well, over half which I receive from it will go to the Government in super-tax; if it does ill, I have to lose it. I will not go into it. I will rather buy low interest bearing securities, and play safe." The distinguished president of the Canadian Pacific Railway, who so acceptably addressed a sister club yesterday, is reported to have said on some other occasion: "Corporations only succeed when they imitate the eager spirit of the pioneer; the moment they become static, they decay." The misfortune of the present time is that we have lost much of the spirit of adventure in enterprise. While it is a matter of satisfaction that when the country has to borrow four or five hundred millions, our people are able to take ninety per cent. of the loan, it would be better for this young, undeveloped country if these important savings should go into needed enterprises, and that the Government should go outside the country for its loans.

Will my manufacturing friends bear with me in this? I returned to Canada to find a great agitation in relation to the sales tax put into operation on January 1st. It would appear from the evidence which some have been good enough to send me that this tax is imposing a great deal of trouble in interpretation and a great deal of expense through additional pressure upon office administration. The spirit of the agitation leads me to say we should learn a better way of approaching governments in such matters. In all the comments I have seen, there has been little of the constructive whereby the Government should feel they had the support of business in their difficult task of determining the method of taxation whereby the needed revenues could be collected. After all, the Government of the country must secure the money which is necessary for current requirements, as well as the additional demand occasioned by the debt left through expenditures for the war. If the sales tax in the manner in which the Government has imposed it, creates unnecessary difficulties, then in all sobriety, and with a helpful sense of co-operation the manufacturers of this country should learn to sit down with the Government and work out with them a plan of betterment, instead of raising a storm of disapproval, and telling doleful tales which many of them know will not bear investigation.

France and Germany

While in France, I had the privilege of lengthy conversations which enabled me to secure the point of view of men in immediate official association with the French, German, and Continental situation. In your reflection upon the position of France, I believe I am right in asking you to recognize that fear is the overwhelming factor which has governed their conduct. It is a curious fact about fear that when people who hold it are presently possessed of power, they exercise that power against the one they fear in so cruel a manner that it re-acts and produces more fear. Hence France, fearing Germany, but presently possessed of power, exercises it harshly, and has a re-action of hatred from Germany, which induces greater fear for the future, and there follows greater pressure, and more hate, and more fear. Again, when France is told their action may lead to their isolation in the loss of the support of Great Britain and the United States, it tends to increase their fear, and the vicious circle of fear, and force, and hatred, is widened. The Treaty of Versailles gave France reparation from Germany and the guarantee of the United States and Great Britain against attack by Germany. The United States Senate refused to ratify the Treaty, and Great Britain, feeling unequal to undertake the task alone, the safety provision failed, leaving France frantic with anxiety. When the Britisher and American said: Safety lies in the moral support of the nations of the world, France replied: That may be, but our immediate responsibility is to rest on our own strong arm. I have no doubt that from their own standpoint they are wrong in this. People who have not the moral courage to breed babies must have a bad time in the day of reckoning with the German people, who have a birth increase over their losses by death, of a million a year. But one cannot but profoundly sympathize with harassed France and its bitter experiences, and we can understand, in part at least, when they say: You promised us a fish, and you have given us a stone. But there is, in addition, the domestic situation, which greatly adds to their difficulty. The Government said to their people: You will not pay by taxation for the war, and you will not pay the expense for reclaiming the devastated properties; Germany is to pay both these charges, but meantime, before receiving the German payments in sufficient volume to meet our need, we must expend great sums of money upon the reclamation of the devastated areas. Hence, work hard, produce more, live on less, add to your savings, and lend them to us, to be returned later when Germany pays. From all quarters there is the same statement, that never in the history of France has there been such industry, hard work, and remarkable savings. The huge sum which has been expended upon reclamation work has come in the form of loans to the Government from their own people, and chiefly from the peasants of France. You will see, therefore, how difficult it is for the Government to agree to enter into negotiations for the reconsideration of the amount which Germany will pay. It would imply breaking faith with the people who have worked and saved to supply the money, pending the German payments. The re-action from the country might be a political upheaval of serious proportions, or a refusal to lend further sums. During the week I was in Paris, the loan which the Government put out bore an interest charge of seven per cent. per annum, while the franc which they borrowed was only rated at one-third of its standard value. It is possible that if the present Government were to express their actual opinions, they would be willing to greatly reduce reparations, if they could be assured of safety from attack in the future. Meantime, they are in the impossible position of demanding reparations to the full amount while pursuing a policy that so demoralizes German industry that even current requirements for the nation's own need cannot be met, much less making payment on account of reparations. The whole position is one which may well occasion grave concern.

In the meantime, four years after the termination of hostilities, Central Europe continues in a state of war, with the chief sufferers women and children. One cannot help but have deep anxiety lest while defeating Germany in arms, we have suffered actual defeat in that the spirit of force against which we fought possesses Europe. The spirit which it was hoped would be present in the settlement of after-war relations has not been realized, and unhappy Europe seems to have gone almost wholly over to force as the determining factor in international relations.

AMES HOLDEN BONDS

It is understood that a block of the Ames Holden McCready 6 per cent. 1st mortgage bonds have changed hands privately at a price of 42 with the coupon notes.

This is the first report of a sale of this issue for many months, the last recorded sale being for a block of $2,000 at 36 in March, 1923.

Montreal Power Extends Plant Without Raising New Capital

From Our Own Correspondent.

MONTREAL.—The very remarkable things that Montreal Light Heat and Power is able to accomplish in the way of increasing its production became apparent from year to year as successive annual reports reveal the progress made. Just now the company is in the midst of a program of extensions that will add fifty per cent. to its output of gas and take care of requirements for about five years to come, and that will also add considerably to the power output. The president confirmed the arrangements that have been made to add another 20,000 horse power to the capacity of the Cedar Rapids plant, bringing the total of the energy produced there to 220,000 horse power. It is significant that a few years ago the ultimate capacity of this plant was placed at 180,000 horse power. This means that Montreal Power will have a total of 350,000 horse power available including the production of its own Cedar Rapids, Chambly, Lachine and Soulanges plants, and the 85,000 h.p. purchased from Shawinigan. And when extensions to the La Salle gas works are completed the daily production of gas will reach 25,000,000 cubic feet per day, as against about 16,500,000 now.

Montreal Power is continually making such extensions as these without additions to its fixed charges. It sets up annually a goodly depreciation reserve, and from this amounts are charged to provide for the entire write-off of depreciated and discarded portions of the system. For instance, in the past year $1,600,000 was credited to depreciation, and approximately $1,000,000 was charged off the account for old properties. This meant $1,000,000 for investment in new revenue-producing equipment $1,000,000 upon which neither interest nor dividends need be paid.

The recent publication of the annual report makes possible comparison of the past five years of Power earnings. The record is as follows:

	1919	1920	1921	1922	1923
Gross earnings	$10,939,273	$12,748,409	$13,289,964	$14,431,323	$16,140,960
Expenses	5,357,493	6,810,287	6,549,933	6,504,717	7,113,960
Net earnings	$ 5,581,780	$ 5,938,122	$ 6,740,031	$ 7,926,606	$ 9,027,096
Depreciation	943,927	1,055,166	1,328,996	1,443,132	1,614,096
Fixed charges	1,032,671	1,078,450	1,188,293	1,214,785	1,211,654
Net income	$ 3,605,182	$ 3,804,506	$ 4,222,742	$ 5,268,687	$ 6,201,250
Earned, per cent.	9.59	8.15	6.54	5.89	5.88
Surplus	$ 1,022,891	$ 563,767	$ 975,053	$ 1,912,220	$ 2,915,442

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1923

The Montreal Cottons Limited

THE ANNUAL REPORT of the Directors to the Shareholders, at this, the Fifty-first Annual General Meeting, held at their office in Montreal, on **Wednesday, the sixth day of February**, nineteen hundred and twenty-four, at the hour of twelve o'clock noon.

Gentlemen:—Your Directors have much pleasure in submitting the Annual Report of the operations of your Company for the year ending December 31st, 1923.

The operating conditions that have prevailed throughout the past year were such that satisfactory results were obtained under very great difficulties. Not the least of these was the third successive cotton crop failure. During the months of June and July the acreage planted and condition indicated, according to Government estimates, a crop of, approximately, thirteen million bales, but, owing to unfavorable weather throughout the growing and harvesting period, boll weevil depredations and numerous causes, the crop outturn will be but slightly in excess of ten million bales, and the staple and quality extremely unsatisfactory.

Your property, machinery and plant account has been increased by the sum of $340,285.54. This amount represents the additions which have been made by installing a new Waste Plant and other machinery.

The regular dividends on preferred and common stock have been paid during the year.

The plant has been fully maintained and is in excellent condition.

We have much pleasure in commending the efficiency of the Officers and Staff of the Company, and the loyalty and diligence of the employees throughout the works.

The Annual Audited Statement of the Company's affairs and the Auditor's Report will now be read.

All the Directors retire and are eligible for re-election.

The whole respectfully submitted.

C. B. GORDON, President.

THE MONTREAL COTTONS LIMITED

OPERATING THE MONTREAL COTTON CO.

December 31st, 1923.

No. 1 MANUFACTURING ACCOUNT

Raw Cotton, Wages, Supplies and Chemics	$5,405,684.90	Cloth Sales	$6,291,007.15
Selling and General Charges	823,358.71	Cloth and in Process	1,102,893.15
Gross Profits	405,113.96		7,393,900.30
		Cloth and in Process 31st December, 1922	759,742.73
	$6,634,157.57		$6,634,157.57

No. 2 PROFIT AND LOSS ACCOUNT

Bond Interest	$ 30,003.00	Balance forward 1st January, 1923	$4,055,814.22
Bad Debts	15,108.62	Manufacturing Profit	405,113.96
Business Profit Tax	37,599.12	Interest from Investments	130,438.09
Dividend Preferred Stock	210,000.00		
Dividend Common Stock	180,000.00		
Balance at Credit	4,118,655.53		
	$4,591,366.27		$4,591,366.27

No. 3 GENERAL BALANCE

ASSETS			LIABILITIES		
Land, Buildings and Machinery		$5,314,025.80	Capital Common Stock		$3,000,000.00
Cash	$ 66,174.77		Bonds	$1,000,000.00	
Open Accounts	1,169,103.64		Redeemed	395,072.00	
Stock Manufactured and in Process	1,102,893.15				604,928.00
Raw Cotton	1,418,101.86		Loans	$1,383,312.81	
Supplies	357,438.43		Open Accounts	884,960.87	
Unexpired Insurance	6,042.41		Total Liquid Liabilities		2,268,273.68
Bonds, Government	1,280,000.00		Surplus:		
		5,399,754.26	Bond Reserve	$ 17,642.77	
			Reserve for Pension and Plant Renewals	704,280.08	
			Profit and Loss Account as per Account No. 2	4,118,655.53	
					4,840,578.38
		$10,713,780.06			$10,713,780.06

JOHN LOWE,
Sec'y-Treas.

C. B. GORDON,
F. W. MOLSON, } Directors.

AUDITOR'S CERTIFICATE

I have audited the books and accounts of The Montreal Cottons Limited, for the year ending the 31st December, 1923, I have obtained all the information and explanations required, and now certify that in my opinion the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations based upon the certified inventories presented, and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as shown by the books of the Company.

Montreal, February 4th, 1924. ARTHUR H. PLIMSOLL, C.A.